

ITEM 1: COVER PAGE

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This brochure provides information regarding the qualifications and business practices of W.E. Donoghue & Co., LLC (the “Company”). If you have any questions about the contents of this brochure, please contact us at: aearp@donoghue.com or 1-800-642-4276. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about the Company is also available on the SEC’s website at www.adviserinfo.sec.gov (the CRD number for W.E. Donoghue & Co., LLC is 285403).

W.E. Donoghue & Co., LLC is a registered investment adviser. Registration with the SEC or any state authority does not imply any level of skill or training.

Please Retain a Copy of This Brochure for Your Records

ITEM 2: MATERIAL CHANGES

We at W.E. Donoghue & Co., LLC (here after “the Company”, “W. E. Donoghue”) believe that communication and transparency are the foundation of our relationship with our clients, and continually strive to provide our clients with complete and accurate information at all times. We encourage all current and prospective clients to read this brochure and discuss any questions you may have with us. We always welcome your feedback.

Material Changes

While there have been no material changes to report from the previous amendment, we note that William Dowler, Treasurer and Chief Compliance Officer is retiring and has resigned his positions with the Company effective October 31, 2019. J. Alex Earp has been appointed Chief Compliance Officer of the Company effective October 31, 2019.

This amendment also includes changes to Item 4 regarding portfolios that invest in W.E. Donoghue mutual funds.

Future Changes

From time to time, we may amend this brochure to reflect changes in our business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete brochure or a summary of material changes shall be provided to each client annually and if a material change occurs in the business practices of W.E. Donoghue & Co., LLC.

At any time, you may view the current brochure on-line at the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. You may also request a copy of this brochure at any time by contacting us at 1 (800) 642-4276 or at www.donoghue.com.

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ITEM 4: ADVISORY BUSINESS

W.E. Donoghue & Co., LLC (“we,” “us”, “W.E. Donoghue” or the “Company”) is a fee-based investment advisory firm that offers portfolio management services. The Company is a Delaware Limited Liability Company and commenced operations as an investment adviser in 1986. The Company is majority-owned by WEDCO Acquisition Co., LLC, which is owned and controlled by David A. Minella, through his ownership of Minella Capital Management, LLC. Minority ownership stakes in the Company are held by certain principals of the Company. .

We provide discretionary account management to individuals, corporations and institutions, and serve as an investment adviser and sub-adviser to mutual funds. Model mutual fund, individual equity, and exchange-traded fund (“ETF”) investment portfolios are developed and serve as the basis to meet specific investor needs for risk-adjusted returns and comprise our dynamic asset allocation portfolios and index portfolios.

We combine quantitative analysis and technical research from both proprietary and external sources in developing and maintaining our investment strategies. We apply principles of investment diversification, as well as technical indicators, across broad market segments in an effort to reduce overall portfolio risk while improving potential investment returns.

We employ rules and technically-based screening/analysis to evaluate portfolio holdings and to assist in the selection process. We continuously monitor the financial markets for signs of relative strength or weakness. When a decision is made to shift assets, both instructions regarding execution of orders and execution of orders for all accounts with similar investment objectives are made generally the same day. Some ETF holdings in these portfolios trade like stocks so that brokerage trading fees or asset based pricing fees will apply in addition to advisory fees assessed by the Company. In addition, some mutual fund classes of shares have transaction fees. Each custodian has its own pricing schedule.

As of December 31, 2018, our discretionary assets under management were approximately \$1.04 billion, and our non-discretionary/advised assets under management were approximately \$1.58 billion. These accounts are comprised of approximately 99% Exchange Traded Securities and 1% Cash and Cash Equivalents.

PORTFOLIOS

The Company provides discretionary account management services in accordance with the asset allocation portfolios described below. Clients have the opportunity to impose reasonable restrictions on the investments made in their accounts, regardless of the portfolio selected. The Company also provides access to its model portfolios to other Registered Investment Advisers and Broker-Dealers. Recommendations for changes to the model portfolios are generally made monthly or as needed and communicated after the close of the market.

Power Income Portfolio:

This portfolio has the primary investment objective of total return from income and capital appreciation, with capital preservation as a secondary objective. The portfolio seeks to achieve the its primary investment objective by investing in income-producing fixed income and alternative strategy exchange-traded funds (“ETFs”) and mutual funds. The portfolio invests assets in ETFs, ETNs, or mutual funds without restriction as to minimum issuer credit quality, sector, capitalization, country of origin, or security maturity. Fixed income ETFs may invest in non-investment grade fixed income securities, commonly known as "high yield" or "junk" bonds that are rated below Baa3 by Moody's Investors Service or similarly by another rating

agency. The portfolio considers alternative strategy ETFs to be those that invest in commodities, currencies and other alternative assets. It may also invest in ETFs, ETNs, or mutual funds that primarily invest in dividend-paying equity securities of U.S., foreign and emerging market issuers. In pursuing its investment objectives, the Fund may also invest in other mutual funds that are advised by the Fund's adviser.

The adviser seeks to achieve the portfolio's secondary investment objective by reallocating assets in the portfolio to short-term maturity fixed income ETFs when it believes fixed income and or equity markets will decline. During such periods, the Fund may invest up to 100% of its assets in such short-term maturity fixed income ETFs. Accordingly, the portfolio may not be able to achieve its primary investment objective of total return during these periods.

The adviser tactically allocates the portfolio's assets based on credit research and long-term market trends. In selecting securities for the portfolio, the adviser considers the underlying holdings, the investment exposure and its liquidity. The adviser may engage in frequent buying and selling of securities to achieve the portfolio's investment objectives.

The Company believes this is a relatively conservative portfolio approach to defensive trading to manage risks and back out of the market and into defensive positions when conditions warrant. The Company believes its technical trend strategy, which moves between fully invested and defensive positions, will potentially minimize losses during a downturn and maximize gains during upturns. This collection of models and the Company's technical trend analysis, in general, operate according to the momentum of the markets, and not on subjective judgments. The portfolio is an appropriate choice for investors who are seeking current income with capital preservation as a second objective.

Power Dividend Index Portfolio: This portfolio will track the W.E. Donoghue Power Dividend Index (for more information regarding the W.E. Donoghue Power Dividend Index, see Stock Market Indices section below).

The Power Dividend Index Portfolio as a standalone strategy is appropriate for investors with a high-risk tolerance. The portfolio is suitable for investors with a time horizon of five years or longer, as it can exhibit short-term volatility equal to or potentially greater than the overall stock market.

Power Growth & Income Portfolio: This portfolio is a diversified investment strategy employing a combination of strategic asset allocation with tactical overlays. The strategy invests in convertible bond funds, emerging market bond funds, investment grade bond funds, floating rate bond funds and intermediate term Treasury bond ETFs and/or traditional mutual funds. Each of the aforementioned investments will carry a tactical overlay that will shift the assets to cash equivalents based upon technical analysis and market indicators. In addition, the strategy will invest in mutual funds Advised by the Company (for more information regarding the Funds, see Mutual Funds and Collective Investment Trusts section below). When this portfolio includes investments in funds Advised by the Company, the Company will receive fees from the accounts applying the strategy as described in Item 5 as well as the Funds. Clients who have shares of funds Advised by the Company will have the management fees for those accounts adjusted downward in order to eliminate fee duplication and minimize potential conflicts of interest.

The accounts managed pursuant to the Power Growth and Income Portfolio will trade in ETFs which trade on an exchange like an individual stock, in which case brokerage trading fees or asset-based pricing fees will apply in addition to our advisory fees. The strategy is managed by employing tactical asset allocation. Asset allocation involves investing your money in different categories (generally in stocks, bonds and cash). The goal is to attempt to provide attractive risk-adjusted returns. The strategy will rebalance to the target asset allocation percentages at least annually. In addition, the portfolio strategy will employ tactical investment strategies to attempt to control downside volatility by moving towards defensive money market

positions when market conditions warrant. The portfolio primarily seeks growth and income from investment assets.

The Power Growth & Income Portfolio as a standalone strategy is appropriate for investors with a moderate risk tolerance. The portfolio is suitable for investors with a longer-term time horizon of 5-10 years or more. The strategy is designed to preserve capital during periods of market weakness by investing more heavily in fixed income asset classes and cash.

Power Dividend International Index Portfolio: This portfolio tracks the W.E. Donoghue Power Dividend International Index (for more information regarding the W.E. Donoghue Power Dividend International Index, see Stock Market Indices section below).

The Power Dividend International Index Portfolio as a standalone strategy is appropriate for investors with an aggressive risk tolerance. The portfolio is suitable for investors with a time horizon of five years or longer, as it can exhibit short-term volatility equal to or potentially greater than the overall stock market.

Power Dividend and Yield Portfolio: This portfolio is a diversified investment strategy employing a combination of strategic asset allocation with tactical overlays. The strategy will invest in convertible bond funds, emerging market bond funds, investment grade bond funds, floating rate funds and intermediate term Treasury ETFs and/or traditional mutual funds. Each of the aforementioned investments will carry a tactical overlay that will shift the assets to cash equivalents predicated on technical analysis and indicators. In addition, the strategy will invest in mutual funds Advised by the Company (for more information regarding the Funds, see Mutual Funds and Collective Investment Trusts section below). When this portfolio includes investments in funds Advised by the Company, the Company will receive fees from the accounts applying the strategy as described in Item 5 as well as the Funds. Clients who have shares of funds Advised by the Company will generally have the management fees for those accounts adjusted downward in order to eliminate fee duplication and minimize potential conflicts of interest. Accounts managed pursuant to the Power Dividend and Yield Portfolio will trade in ETFs which trade on an exchange like an individual stock in which case brokerage trading fees or asset-based pricing fees will apply in addition to our advisory fees. In addition, when the portfolio invests in the Power Momentum Index Fund, the Power Income Fund and the Power Dividend Index Fund, the Company will receive fees from the accounts applying the strategy as described in Item 5 as well as from the Power Momentum Index Fund, the Power Income Fund and the Power Dividend Index Fund as the adviser to such funds.

The Power Dividend and Yield Portfolio is suitable for investors with a relatively short time horizon who may be drawing income from the portfolio. The strategy is designed to preserve capital during periods of market weakness by investing more heavily in fixed income asset classes. In addition, the portfolio strategy will employ tactical investment strategies to attempt to control downside volatility by moving toward defensive money market positions when the market warrants it. The portfolio primarily seeks income and growth from investment assets.

Power Dividend Mid-Cap Index Portfolio: This portfolio will track the W.E. Donoghue Power Dividend Mid-Cap Index (for more information regarding the W.E. Donoghue Power Dividend Mid-Cap Index, see Stock Market Indices section below).

The Power Dividend Mid-Cap Index Portfolio as a standalone strategy is appropriate for investors with a high-risk tolerance. The portfolio is suitable for investors with a time horizon of five years or longer, as it can exhibit short-term volatility equal to or potentially greater than the overall stock market.

Power Momentum Index Portfolio: This portfolio tracks the W.E. Donoghue Power Momentum Index (for more information regarding the W.E. Donoghue Power Momentum Index, see Stock Market Indices section below).

The Power Momentum Index Portfolio as a standalone strategy is appropriate for investors with a high-risk tolerance. The portfolio is suitable for investors with a time horizon of five years or longer, as it can exhibit short-term volatility equal to or potentially greater than the overall stock market.

Power Treasury Index Portfolio: This portfolio tracks the W.E. Donoghue Power Treasury Index (for more information regarding the Power Treasury Index, see Stock Market Indices section below).

The Power Treasury Index Portfolio is suitable for investors with a relatively intermediate term time horizon who may be drawing income from the portfolio. The strategy is generally suggested to be combined with other fixed income strategies or within an overall more diversified portfolio. The portfolio primarily seeks income and growth from investment assets.

Global Tactical Allocation Portfolio: This portfolio is designed to be a core, long-term investment, presenting moderate growth potential and risk management across all asset classes. This portfolio seeks to achieve moderate capital appreciation while using its tactical nature to preserve capital during times of market stress. It invests in ETFs across three asset classes: equities, fixed income and alternatives with a global orientation. The portfolio can move to 100% cash when volatility and other market indicators suggest a defensive posture.

Global Tactical Income Portfolio: This portfolio is designed to deliver high current income while preserving principal. As a secondary goal, the portfolio also seeks conservative capital appreciation. The portfolio seeks to provide high current income and preservation of principal, while taking advantage of market opportunities to achieve conservative capital appreciation. It invests in ETFs across three asset classes – primarily fixed income and alternatives, and to a much lesser extent equities, and takes a long-term secular view with tactical positioning during the shorter- term business and credit cycles.

Global Tactical Conservative Portfolio: This portfolio is designed to be a core, long-term investment, presenting conservative growth potential and risk management across all asset classes. This portfolio seeks to achieve conservative capital appreciation while emphasizing preservation of capital. The portfolio invests in ETFs across three asset classes: equities, fixed income and alternatives with a global orientation, and takes a long-term secular view with tactical positioning during the shorter- term business and credit cycles.

Global Tactical Growth Portfolio: This portfolio is designed to be a core, long-term investment, presenting growth potential and risk management across all asset classes. This portfolio seeks to achieve greater capital appreciation than Global Tactical Allocation while using its tactical nature to preserve capital. The portfolio invests in ETFs across three asset classes: equities, fixed income and alternatives with a global orientation, and takes a long-term secular view with tactical positioning during the shorter- term business and credit cycles.

Global Tactical Equity Portfolio: This portfolio is designed to be a core, long-term investment, presenting growth potential and risk management across all asset classes. It is a core portfolio that contains three asset classes in one account: equities, and to a much less extent fixed income and alternatives (commodities, real estate and hard assets). The macro top-down approach strategy targets long-term global macro-economic trends while analyzing shorter-term economic variables in assessing potential price movements in the three main asset classes, while GTE focuses on our best equity ideas. The GTE portfolio holds Equity investments in almost all market conditions. It holds fixed income and alternatives investments to diversify and lower standard deviations.

MUTUAL FUNDS and COLLECTIVE INVESTMENT TRUSTS

The Company acts as adviser or sub-adviser to a number of mutual funds, described below. Investors in the mutual funds that the Company advises do not have the option to impose restrictions on the funds' investments.

Power Income Fund: This mutual fund is a series of Northern Lights Fund Trust. The fund is designed for investors who seek income and growth returns from an actively managed portfolio. The Power Income Fund's primary investment objective is total return from income and capital appreciation, with capital preservation as a secondary objective. The Power Income Fund's primary investments are predicated upon the Company's proprietary Global Tactical Income Portfolio, described above. The Company believes this is a relatively conservative portfolio approach to defensive trading to manage risks and back out of the market and into defensive positions when conditions warrant. The Company believes its technical trend strategy, which moves between fully invested and defensive positions, will potentially minimize losses during a downturn and maximize gains during upturns. This collection of models and the Company's technical trend analysis, in general, operate according to the momentum of the markets, and not on subjective judgments. The Company includes investments in the Power Income Fund as part of the investment strategy for certain asset allocation portfolios described above.

Power Income VIT Fund: This mutual fund is a series of Northern Lights Variable Trust, a Delaware statutory trust designed to be a funding vehicle for variable annuity contracts and flexible premium variable life insurance policies offered by the separate accounts of various insurance companies. Its shares are sold to those separate accounts and pension and retirement plans that qualify for special income tax treatment. Shares of the Power Income VIT Fund are not offered directly to the general public. Individual variable annuity contract holders and flexible premium variable life insurance policyholders are not shareholders of the Power Income VIT Fund. However, clients of the Company are also holders of variable annuity contracts and variable life insurance policies whose separate accounts invest in the Power Income VIT Fund. The Power Income VIT Fund's primary and secondary objectives and strategies are similar to those of the Global Tactical Income Portfolio described above.

Power Dividend Index VIT Fund: This mutual fund is a series of the Northern Lights Variable Trust, a Delaware statutory trust designed to be a funding vehicle for variable annuity contracts and flexible premium variable life insurance policies offered by separate accounts of various insurance companies. Its shares are sold to those separate accounts and pension and retirement plans that qualify for special income tax treatment. Shares of the Power Dividend Index VIT Fund are not offered directly to the general public. Individual variable annuity contract holders and flexible premium variable life insurance policyholders are not shareholders of the Power Dividend Index VIT Fund. However, clients of the Company are also holders of variable annuity contracts and variable life insurance policies whose separate accounts invest in the Power Dividend Index VIT Fund. The Power Dividend Index VIT Fund's primary and secondary objectives and strategies are similar to those of the Power Dividend Index Portfolio described below.

Power Momentum Index VIT Fund: This mutual fund is a series of the Northern Lights Variable Trust, a Delaware statutory trust designed to be a funding vehicle for variable annuity contracts and flexible premium variable life insurance policies offered by separate accounts of various insurance companies. Its shares are sold to those separate accounts and pension and retirement plans that qualify for special income tax treatment. Shares of the Power Momentum Index VIT Fund are not offered directly to the general public. Individual variable annuity contract holders and flexible premium variable life insurance policyholders are not shareholders of the Power Momentum Index VIT Fund. However, clients of the Company are also holders of variable annuity contracts and variable life insurance policies whose separate accounts invest in the Power Momentum Index VIT Fund. The Power Dividend Index VIT Fund's primary and secondary objectives and strategies are similar to those of the Power Momentum Index Portfolio described above.

Power Dividend Index Fund: This mutual fund is a series of Northern Lights Fund Trust. This fund is predicated upon our proprietary W.E. Donoghue Power Dividend Index, described below, in connection with our Power Dividend Index Portfolio. The Power Dividend Index Portfolio's strategy employs the same features as the Power Dividend Index Fund's principal investment strategies. As such, the fund will have substantially the same investment objectives and strategies as the Power Dividend Index Portfolio, which is described above.

Power Momentum Index Fund: This mutual fund is a series of Northern Lights Fund Trust. This fund is predicated upon our proprietary W.E. Donoghue Power Momentum Index, described below, in connection with our Power Momentum Index Portfolio. The Power Momentum Index Portfolio's strategy employs the same features as the Power Momentum Index Fund's principal investment strategies. As such, the fund will have substantially the same investment objectives and strategies as the Power Momentum Index Portfolio, which is described above.

Power Floating Rate Index Fund: This mutual fund is a series of Northern Lights Fund Trust. This fund is predicated upon our proprietary W.E. Donoghue's Power Floating Rate Index, described below, in connection with our W.E. Donoghue Power Floating Rate Index. The Power Floating Rate Index Portfolio's strategy employs the same features as the Power Floating Rate Index's principal investment strategies.

Power Dividend Mid-Cap Index Fund: This mutual fund is a series of Northern Lights Fund Trust. This fund is predicated upon our proprietary W.E. Donoghue Power Dividend Mid-Cap Index, described below, in connection with our Power Dividend Mid-Cap Index Portfolio. The Power Dividend Mid-Cap Index Portfolio's strategy employs the same features as the Power Dividend Mid-Cap Index Fund's principal investment strategies. As such, the fund will have substantially the same investment objectives and strategies as the Power Dividend Mid-Cap Index Portfolio, which is described above.

Global Tactical Allocation/JAForlines Fund: This mutual fund is a series of Northern Lights Fund Trust. The Power Global Tactical Allocation/JAForlines Fund's investment objective is to provide long-term capital appreciation. The Fund's investment Objective is predicated upon the Company's proprietary Global Tactical Allocation Portfolio, described above.

JAForlines Global Collective Investment Trust: This collective investment trust ("CIT") is a pooled vehicle structured for participating pension and profit-sharing trusts and is managed by the Company. The CIT employs the Global Tactical Allocation strategy, discussed above.

STOCK MARKET INDICES

"The Company sponsors indices (the "Indices"), the value of which is calculated by S-Network Global Indexes, Inc. (the "Calculation Agent"). The Calculation Agent will distribute end of day index values to vendors via the various exchanges. The indices will be calculated and disseminated in USD. The Calculation Agent will distribute price only and total return index values immediately following the close of trading on U.S. stock markets on each business day. Values for the indices are distributed once daily, at approximately 4:30PM (EST), Monday through Friday, excluding exchange holidays. To maintain a high standard of data integrity, a series of procedures have been implemented to ensure accuracy, timeliness and consistency. While every effort is taken to ensure the accuracy of the information used for the index calculation, an index error may occur due to incorrect or missing data, including trading prices, due to operational errors or other reasons. Corrections will be made as soon as possible after detection. The indices are not investable by clients, nor are the compositions of the indices the Company sponsors subject to restriction by our clients.

W.E. Donoghue Power Dividend Index:

The W.E. Donoghue Power Dividend Index is a rules-based index calculated by S-Network Global Indexes, Inc. The index is predicated upon the S-Network Sector Dividend Dogs Total Return Index (SNDGXTR), an index of 50 stocks derived from the S-Network US Equity Large/Mid-Cap 1000 Index (SN1000). The W.E. Donoghue Power Dividend Index employs an intermediate term tactical overlay to determine whether to be in a bullish posture or defensive posture. When in a bullish posture, the index methodology selects the five stocks in each of the ten Global Classification Standard (“GICS”) sectors that make up the S-Network Large/Mid-Cap 1000 Index (excluding REITS) which offer the highest dividend yields as of the last trading day of November. The index will be divided into the following ten GICS sectors: consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, Communication services and utilities. The sectors and the stocks selected for inclusion in the index are equally weighted so that each of the ten sectors is given an equal weight and each of the five stocks in each sector is given an equal weight. All constituents of the W.E. Donoghue Power Dividend Index while in its bullish posture must be constituents of the S-Network US Equity Large/Mid-Cap 1000 Index. Technical indicators are utilized as an overlay to shift the index to a defensive posture should the market conditions warrant to attempt to mitigate losses during equity market downturns. When in a defensive posture, the index will be invested in iBox USD Treasuries 1-3 Year Total Return Index. When in a bullish posture, the index will rebalance the individual stock holdings quarterly.

The W.E. Donoghue Power Dividend Index had a value at inception of 1000, on its inception date of December 31, 1999. Index values are disseminated in US dollars via the various exchanges using the following tickers:

Price Index Ticker or Symbol is: PWRDXPX

Total Return Index Ticker or Symbol is: PWRDXTR

W.E. Donoghue Power Dividend International Index: The W.E. Donoghue Power Dividend International Index is a rules-based index calculated by S-Network Global Indexes, Inc. The Index is predicated upon the S-Network ADR Dividend Index of 50 stocks derived from the BNY Mellon Composite Depositary Receipt Index. The index employs an intermediate term tactical overlay to determine whether to be in a bullish or defensive posture. When in a bullish posture, the index methodology selects the five stocks in each of the ten GICS sectors that make up the BNY Mellon Composite Depositary Receipt Index which offer the highest dividend yields as of the last trading day of May. The index has a maximum of 10 positions in any country. The stocks selected for inclusion in the index are equally weighted. The index is divided into the following ten GICS sectors: consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, communication services and utilities. All constituents of the W.E. Donoghue Power Dividend International Index while in its bullish posture must be constituents of the BNY Mellon Composite Depositary Receipt Index. Technical indicators are utilized as an overlay to shift the index to a defensive posture, should the market conditions warrant, to attempt to mitigate losses during equity market downturns. When in a defensive posture, the index will be invested in the iBox USD Treasuries 1-3 Year Total Return Index. When in a bullish posture, the index will rebalance the 50 individual stock holdings quarterly.

Power Dividend International Price Index Ticker Symbol is: PWRIDX

Power Dividend International Total Return Index Ticker or Symbol is: PWRIDXTR

W.E. Donoghue Power Dividend Mid-Cap Index: The W.E. Donoghue Power Dividend Mid-Cap Index is calculated by S-Network Global Indexes, Inc. The Index is predicated upon the S-Network U.S. Mid Cap

Dividend Index (SNMDIVTR). The index is a rules-based strategy employing stocks with high-dividend yields with a tactical overlay. The portfolio strategy will invest in individual stocks or short-term Treasury ETFs depending on whether in a bullish or bearish stance. The tactical overlay will shift the assets to short term Treasuries predicated upon technical analysis should market conditions warrant. When in a bullish posture, the index methodology selects 50 stocks derived from each of the eleven Global Industry Classification Standard (GICS) sectors that make up the S-Network Mid-Cap Dividend Index which offer the highest dividend yields as of the last trading day of May. The index is cap weighted into the following eleven GICS sectors: Consumer Discretionary, Consumer Staples, Energy, Financials, Healthcare, Industrials, Information Technology, Materials, Communication Services, REITs and Utilities. The index will carry a minimum 4% weight and a maximum 20% weight to each sector (Information Technology & Communication Services are combined for these calculations). All constituents of the W.E. Donoghue Power Dividend Mid-Cap Index must be constituents of the S-Network Mid-Cap 500 Index with the exception of the REIT sector. When in a defensive position the index will be invested in the iBox USD Treasuries 1-3 Year Total Return Index. When in a bullish posture the index and portfolio will rebalance holdings quarterly and re-constitute annually.

Power Dividend Mid-Cap Price Index Ticker Symbol is: PWRMDX

Power Dividend Mid-Cap Total Return Index Ticker Symbol is: PWRMDXTR

W.E. Donoghue Power Dividend Developed International Index: The Power Dividend Developed International Index is a rules-based index. The index is predicated upon the S-Network International Dividend Index (SNDIVTR) derived from the S-Network Developed International 1000 Index. The Power Dividend Developed International Index employs an intermediate term tactical overlay to determine whether to be in a bullish posture or a defensive posture. When in a bullish posture, the Index selects the five highest dividend yielding stocks in each of the following GICS sectors: consumer discretionary, consumer staples, energy, financials, health care, industrials, utilities, materials, and information technology/telecommunication services. All constituents of the W.E. Donoghue Power Dividend Developed International Index when it is in a bullish posture must be constituents of the S-Network Developed International 1000 Index. Technical indicators are utilized as an overlay to shift the Index to a defensive posture should market conditions warrant in an attempt to mitigate losses during equity market downturns. When in a defensive posture, the index will be invested in the iBox USD Treasuries 1-3 Year Total Return Index. When in a bullish posture, the index will rebalance the individual stock holdings quarterly.

Power Dividend Developed International Price Index Ticker Symbol is: PWRIIDX

Power Dividend Developed International Total Return Index Ticker Symbol is: PWRIIDXTR

W.E. Donoghue Power Momentum Index: The W.E. Donoghue Power Momentum Index is calculated by S-Network Global Indexes, Inc. The index is predicated upon the S-Network US Equity Large/Mid-Cap 1000 Index (SN1000). The index is a rules-based strategy employing a risk-adjusted return selection process for stocks with a tactical overlay. The portfolio strategy will invest in individual stocks or short-term Treasury ETFs depending on whether in a bullish or bearish stance. The tactical overlay will shift the assets to short term Treasuries predicated upon technical analysis should market conditions warrant. When in a bullish posture, the index methodology selects 50 stocks derived from each of the ten GICS sectors (excluding REITS) that make up the S-Network US Equity Large/Mid-Cap 1000 Index which offer the highest risk-adjusted returns as of the last trading day of calendar quarter. The index is divided into the following ten GICS sectors: Consumer Discretionary, Consumer Staples, Energy, Financials, Healthcare, Industrials, Information Technology, Materials, Communication Services and Utilities. The index will carry a minimum 0% weight and a maximum 10% weight to each sector. Technical indicators are utilized on

each sector individually to determine whether to be in a bullish or defensive posture. All constituents of the W.E. Donoghue Power Momentum Index must be constituents of the S-Network US Equity Large/Mid-Cap 1000 Index. When in a defensive posture the index will be invested in the iBox USD Treasuries 1-3 Year Total Return Index. When in a bullish posture the index will re-constitute and rebalance quarterly.

Power Momentum Price Index Ticker Symbol is: PWRMOX

Power Momentum Total Return Index Ticker Symbol is: PWRMOXTR

W.E. Donoghue Power Treasury Index: The W.E. Donoghue Power Treasury Index uses the total return variation of the S&P US High Yield Corporate Bond Total Return Index (SPUHYBDT) to signal investment into and out of Intermediate and Long-Term US Treasuries. An Exponential Moving Average (EMA) crossover of the SPUHYBDT Index will trigger an investment into the iShares 20+ Year Treasury Bond ETF (TLT) when positive. Alternatively, when negative the Index will invest in the iShares 3-7 Year Treasury Bond ETF (IEI). Allocation will take place at the conclusion of trading on the day following when the EMA crossover occurs for the open of trade the following day.

Power Treasury Price Index Ticker or Symbol is: PWRTRX

Power Treasury Total Return Index Ticker Symbol is: PWRTRXTR

W.E. Donoghue Power Floating Rate Index: The W.E. Donoghue Power Floating Rate Index uses the total return variation of the S-Network Floating Rate Fund Index (SNFLXTR) to signal investment into and out of the SNFLXTR Index. An Exponential Moving Average (EMA) of the SNFLXTR Index will trigger a 50% investment into the iBox USD Treasuries 1-3 Year Total Return Index. A second, longer, Exponential Moving Average (EMA) of the SNFLXTR Index will trigger an additional 50% investment into the iBox USD Treasuries 1-3 Year Total Return Index. Allocation will take place at the conclusion of trading on the day following when the EMA crossover occurs for the open of trade the following day. Alternatively, when the EMA is positive the 50% allocation will cross over to the SNFLXTR Index, and when the second, longer, EMA, the 50% allocation will crossover to the SNFLXTR Index.

The SNFLX is an open-end fund index designed to serve as a benchmark for floating rate funds listed in the US that are principally engaged in asset management processes designed to produce taxable annual yield. The SNFLX employs a modified market capitalization weighting methodology designed to ensure accurate investment exposure across the various business segments that together comprise the taxable annual yield sector of the floating rate bank loan market. Capping procedures are applied when needed to ensure that the index is in compliance with various US regulatory guidelines governing concentration of holdings.

Power Floating Rate Price Index Ticker or Symbol is: PWRFLX

Power Floating Rate Total Return Index Ticker Symbol is: PWRFLXTR

W.E. Donoghue Power High Yield Index: The W.E. Donoghue Power High Yield Index (PWRHYXTR) uses the total return variation of the S-Network High Yield Fund Index (SNHYXTR) to signal investment into and out of the SNHYXTR Index. An Exponential Moving Average (EMA) of the SNHYXTR Index will trigger a 50% investment into the iBox USD Treasuries 1-3 Year Total Return Index. A second, longer, EMA of the SNHYXTR Index will trigger another 50% investment into the iBox USD Treasuries 1-3 Year Total Return Index. Allocation will take place at the conclusion of trading on the day following when the EMA crossover occurs for the open of trade the following day. Alternatively, when the EMA of the SNHYXTR is bullish the Index will invest a 50% allocation to the SNHYXTR Index, and when the second,

longer, EMA of the SNHYXTR is bullish then the Index will invest a 50% allocation to the SNHYXTR Index. Allocation will take place at the conclusion of trading on the day following when the EMA crossover occurs for the open of trade the following day.

The S-Network High Yield Fund Index (SNHYX) is an open-end fund index designed to serve as a benchmark for High Yield funds listed in the US that are principally engaged in asset management processes designed to produce taxable annual yield. The SNHYX employs a modified market capitalization weighting methodology designed to ensure accurate investment exposure across the various business segments that together comprise the taxable annual yield sector of the High Yield Fixed Income Fund market. The SNHYX employs a modified market capitalization weighting methodology based on Total Assets. Capping procedures are applied when needed to ensure that the index is in compliance with various US regulatory guidelines governing concentration of holdings.

Power High Yield Price Index Ticker or Symbol is: PWRHYX

Power High Yield Total Return Index Ticker Symbol is: PWRHYXTR

ASSET MANAGEMENT

We provide investment management services to clients through various channels. We manage proprietary mutual funds and select individually managed accounts on a discretionary basis, but the majority of our strategies are offered to end clients on separately managed account and 401k platforms sponsored by Registered Investment Advisory firms and Broker-Dealers (“Platforms”) for a fee based on a percentage of assets under management. In most cases, the Company does not have a relationship with the end-clients using the Company’s models, as the relationships are generally between with the Platforms and/or the advisers and broker-dealers. Variations in the fee may occur depending on the relationship between the Company and the adviser or broker-dealer introducing the client. Any such variations are disclosed and agreed to in the client’s investment advisory agreement.

The majority of accounts are managed in accordance with model portfolios selected by the Platforms. We and the Platforms agree that they may “customize” their investment alternatives by providing “reasonable restrictions” to exclude from the investment alternatives as held by the client’s account(s) certain types of classes or categories of securities or industries. We allow clients to change the direction with respect to the investment of their accounts and/or rebalance the holdings in their accounts daily. If a client requests these modifications, there may be greater need for liquidity in the portfolios than we would otherwise maintain.

ITEM 5: FEES AND COMPENSATION

MANAGED ACCOUNTS

We offer our services on a discretionary basis to select clients on both a fee and non-fee basis. The advisory fees are deducted from the client’s account. The specific manner in which advisory fees are charged is established in the client’s investment advisory agreement with the Company. Generally, the annual fee for accounts is 1.00% of assets under management. Fees are generally non-negotiable.

We offer our services to Platforms on a non-discretionary/advised basis, wherein we provide our model strategies to the Platforms, and investment advisers and broker-dealers invest their clients’ assets using our models. Fees for Platforms using the Company’s models range from 0 – 50 basis points.

Fees are payable quarterly in advance and are based on the average daily balance, including cash and cash equivalents, of each account. Clients will, in general, pay fees and charges for custodian services in addition

to management fees, as well as brokerage commissions for purchases and sales of securities. See Item 12, Brokerage Practices. Where fees are payable in advance clients who withdraw assets during a quarter may obtain a *pro rata* refund based on the number of days in the quarter the assets remained under management.

A client may cancel the client's investment advisory agreement by providing the Company 30 days' prior written notice executed by all owners of the account. The account can be liquidated or transferred in less than 30 days, however, the notice period will serve as the basis for the computation of any *pro rata* refund due on any unused portion of the prepaid quarterly management fee.

Clients should be aware that advisers to mutual funds, the shares of which are held in client accounts, debit the mutual funds' assets for advisory and other fees and expenses. These mutual fund fees and expenses are in addition to the fees and expenses described above to which client accounts are subject. If a prospective client purchases shares directly from the mutual fund and does not include the shares in the account managed by the Company, the client will not pay an account management fee to the Company with respect to that investment.

The Company is the investment adviser to mutual funds, listed above, which may be held in client accounts or variable annuity contracts or insurance policies owned by clients, respectively. This presents a conflict of interest because the Company's investment adviser representatives may be incentivized to recommend the mutual funds advised by the Company based on the compensation received, rather than on a client's needs. Clients who have shares of a W. E. Donoghue & Co., LLC fund in their accounts will have the management fees for those accounts adjusted downward in an attempt to eliminate fee duplication and address potential conflicts of interest.

Conditions for Managing Accounts

The minimum amount required to establish a managed account is generally \$25,000 for all dynamic asset allocation account portfolios and \$50,000 for all index account portfolios. The Company may, however, accept accounts that are opened with less than the minimum amount, such as an Individual Retirement Account, if the client has opened at least one account that meets the minimum requirement. In addition, accounts under the minimum may be accepted on an individual basis at the discretion of the Company.

MUTUAL FUNDS

The Company acts as adviser or sub-adviser to several mutual funds, which are described in greater detail in Item 4. Generally, the annual fee for the mutual funds that we advise range from 0.65 to 1.00% of fund assets under management. Fees are non-negotiable as the fees are set by the Board of Trustees of the mutual fund.

The annual fee is calculated by a third party and is deducted by such third party from the mutual fund's account and wired to the Company on a monthly basis, in arrears.

Investors in the mutual funds that we advise may be subject to certain other mutual fund expenses, which are described in greater detail in the prospectus of each mutual fund. Please review the prospectus for the applicable mutual fund for more detail about how fees are calculated and the applicable rates.

Other Compensation

Aside from the mutual fund fees described above, neither the Company nor any of its investment advisory representatives will accept any compensation for the sale of securities or other investment products.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Company does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

ITEM 7: TYPES OF CLIENTS

We provide investment advisory services to individuals, mutual funds and Platforms used by investment professionals to create investment portfolios based on the Company's models.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We wish to remind our clients that investing in securities involves risk of loss that they must be prepared to bear. To aid clients in discerning their investment needs, we measure investors' goals, risk tolerance and time horizon through a comprehensive interview process.

For accounts managed by us under an agreement directly with the client the initial and ongoing review process and method of analysis includes the following procedures:

1. **Initial Interview** – An initial interview is conducted with each client to determine the client's financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of their account, and other relevant circumstances. In the process of signing the client agreement, the client is asked to fill out an extensive questionnaire as to the client's financial situation, risk tolerance and investment objectives. Clients should note that we are entitled to rely without further inquiry on any information received from the client or from the client's other professionals (*e.g.*, attorneys, accountants, etc.) and are expressly authorized to rely on such information.
2. **Individual Treatment** – The client's account is managed on the basis of the client's stated financial circumstances and investment objectives and any reasonable restrictions.
3. **Consultation** – Our supervised persons shall be reasonably available to consult with the client relative to the status and management of their account.
4. **Quarterly Statement** – The client shall be provided with a quarterly statement containing a description of all activity in the account from each investment custodian on behalf of the Company.

Moreover, each client is advised that it remains the client's responsibility to promptly notify us if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising our previous recommendations and/or services.

For accounts managed through Platforms or insurance separate accounts, we do not obtain end-client information from the investment manager designated for the account, as that is their responsibility. On certain dual contract relationships, we will receive end-client information from the investment manager designated for the account, and we will be responsible for trading these accounts. Our responsibility is to create the investment models and to educate the investment professional regarding the composition and risks inherent in each of the models. The strategies that we apply on behalf of our clients are based on pre-arranged formulas. While we believe that those formulas will generate returns in line with their respective risk profiles, there can be no guarantee that market circumstances will not result in significant losses for our clients.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the registered investment adviser or the integrity of its management. Neither W.E. Donoghue & Co., LLC, its principals, nor its employees have a history of any legal or disciplinary action.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We provide investment advisory services to clients of other investment advisers and professionals. These arrangements are generally referred to as sub-advisory agreements or solicitation agreements.

Under a sub-advisory agreement, the Company will act as a sub-adviser to the client's main investment adviser. As a general rule, the main investment adviser will manage its clients' assets in accordance with the investment objectives the client has identified to the main investment adviser. In exchange for providing sub-advisory services, the Company will receive an investment advisory fee for the services provided. Under a solicitation agreement, we may also provide investment advisory services directly to clients of other investment advisers, broker-dealers, accounting firms or law firms who refer these clients to us under solicitor arrangements with us. We provide investment advisory services directly to these clients and will share our fees with the solicitor provided that the solicitor is properly licensed to share in such fees. The solicitor portion of our fee will not exceed 50% of the fee.

ITEM 11: CODE OF ETHICS

As a fiduciary, we have an affirmative duty to render continuous, unbiased investment advice and at all times act in the client's best interest. We have adopted a Code of Ethics that sets forth the standards of conduct expected of our associated persons and requires compliance with applicable securities laws. In accordance with Section 204A of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), our Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Company or any of our associated persons. The Code of Ethics also requires that certain of our personnel who have access to, or control over our securities research and trading ("Access Persons"), report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically permitted in the Code of Ethics, none of our Access Persons may effect for themselves or for their immediate family (*i.e.*, spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of our clients.

From time to time officers and employees of the Company may invest in the same or related securities that are included in client portfolios. These transactions may or may not take place at about the same time as transactions that occur in client portfolios. The securities are generally mutual funds, ETFs, and other publicly traded securities. Generally, the portfolio and individual transactions in these securities are not large enough to affect market prices. The Company's Code of Ethics prescribes the conditions under which these transactions must be effected in order to protect the interests of clients.

Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting: honest and ethical conduct; full, fair and accurate disclosure; compliance with applicable rules and regulations; reporting of any violations of the Code of Ethics, and accountability.

To help clients understand our ethical culture and standards and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Participation or Interest in Client Transactions

The Company is the investment adviser to the several mutual funds described above. Jeffery Thompson, Chief Executive Officer, Richard Molari, Chief Operating Officer, John Forlines, Co-CIO and Robert Shea, President and Co-CIO act as Portfolio Co-Managers. Shares of W. E. Donoghue & Co., LLC funds are often selected by the Company as investments for its managed accounts. Shares of the Power Income VIT Fund are often selected by the Company for investment by accounts of variable annuity contracts or variable life policies held by clients. Certain Funds invest the fund's assets in individual stocks. The same individual stocks that are chosen for the Funds are often selected by the Company as investments for its managed accounts.

The Company is independent of the mutual fund management companies of all other mutual funds recommended or selected by it for client portfolios. The fund selection process (and the direction of client assets to the funds selected) is based only on the Company's analysis of past performance and estimation of potential future returns. Officers of the Company may, from time to time, provide marketing and consulting services to mutual fund management companies that provide administrative services or investment advice to the same funds that are selected for purchase by the Company's clients. However, the existence of such relationship does not affect in any way the investment decisions that the Company makes for its clients. The Company, its directors and officers may from time to time buy or sell shares of mutual funds that are also purchased or sold for the Company's clients. The nature and timing of such personal investment transactions may differ from investment actions taken on behalf of any client, depending on their respective investment goals. The Company does not discourage these purchases and sales because the price of mutual fund shares cannot be affected by trading activity. The daily market price of a mutual fund share is determined by the net asset value of the fund's portfolio, not by the volume of trading in those shares. Client transactions are executed prior to acceptance of orders placed on behalf of employees or related persons and under no circumstances will the interest of our employees be placed before the interests of our clients. These transactions are consistent with policies and strategies recommended by the firm. Some employees may invest in accounts managed by the Company and will have their trade orders placed at the same time as all other clients.

ITEM 12: BROKERAGE PRACTICES

When a discretionary account is opened, the client also designates the broker-dealer that the Company should use to execute transactions for the account, from a list of broker-dealers with whom the Company has clearing agreements. The Company endeavors to recommend that the client select the best transactional broker for the client's needs, based on size of account, type of portfolio and commission schedule, among other factors. The Company has developed a relationship with TD Ameritrade Institutional and Fidelity Investments for client use. Neither TD Ameritrade Institutional or Fidelity Investments is affiliated with the Company. These relationships provide the Company with the ability to purchase certain load mutual fund shares for its clients' accounts without a sales load because of sales load waivers that are made available to accounts managed by investment advisers who trade through TD Ameritrade. Clients who select other broker-dealers may incur sales loads or higher transaction charges as the Company may not be able to achieve comparable savings on execution.

Although most mutual fund shares or equity positions may be purchased without a sales load, most transactions executed through TD Ameritrade do involve nominal transaction fees that are deducted from the client's account. Pricing schedules of the various broker-dealers are provided to the client at the time

the account is opened. Pricing schedules may change at any time. The Company attempts to negotiate lower fees with custodians for its clients whenever possible.

Client transactions may be aggregated from time to time where price improvement or lower transaction costs may be achieved.

When the Company has the ability to choose the broker-dealer to execute transactions, the Company seeks to obtain “best execution” for client transactions. In evaluating whether a broker-dealer provides best execution, portfolio transactions for the Clients are allocated to broker-dealers based on numerous factors and not necessarily lowest pricing. Broker-dealers may provide other services that are beneficial to the Company and/or certain Clients, but not beneficial to all Clients. Subject to best execution, in selecting broker-dealers to execute transactions, the Company may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the broker-dealers’ facilities, reliability and financial responsibility. The Company, however, will not necessarily consider each factor in every trade. In addition, and subject to its obligation to seek best execution, the Company is not required to consider any particular criteria, need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Company maintains policies and procedures to review the quality of executions, including periodic reviews by our trading, operations, and compliance professionals.

Additional Compensation

The Company does not receive or accept compensation from non-clients for providing investment advice or other advisory services, and therefore has nothing to report in this regard.

ITEM 13: REVIEW OF ACCOUNTS

The Company generally reviews its discretionary clients’ accounts on an annual basis. For directly managed accounts, an officer or account reviewer is assigned to an account at the time that the account is opened and assists the client in determining the client’s investment objective(s) and risk tolerance. The client is encouraged through quarterly mailings to contact the client’s account reviewer by writing or calling a toll-free number if the client’s investment objective(s) or risk tolerance has changed. In addition, at least once a year each account reviewer attempts to interview all clients assigned to him/her. Each reviewer is instructed to review compliance with the clients’ objective(s) and the current recommendations of the Company’s Investment Policy Committee.

Each client receives trade confirmations and monthly statements from the broker-dealer that the client has designated to execute transactions for his or her account. These reports confirm all transactions that the broker-dealer has executed for the client’s account at the Company’s direction. In addition, at least quarterly, the Company provides each client with a quarterly statement detailing the status of the account at of the close of that quarter, including performance, account balance(s) and fees.

The Company reviews the mutual funds that it advises in accordance with the Investment Company Act of 1940, as amended, and the specific requirements of the board of trustees of each such mutual fund.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

If a client is introduced to the Company by either an unaffiliated or an affiliated solicitor, the Company may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Company’s investment management fee and shall not result in any additional charge to the client. If the

client is introduced to the Company by an unaffiliated solicitor, the solicitor shall provide the client with a copy of the Company's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation.

Any solicitor on behalf of the Company shall disclose the nature of the solicitor's relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Company's written disclosure statement at the time of the solicitation.

ITEM 15: CUSTODY

The broker-dealer, bank or other qualified custodian that holds and maintains our client's investment assets sends statements at least quarterly, indicating all cash movements in the account including the amount of management fees paid directly to the Company. Clients also receive quarterly statements from the Company. Clients should carefully review all statements and contact the Company if there are any discrepancies or other questions.

The Company urges clients to carefully review such statements and compare such official custodial records to the account statements that the Company may provide to you. The Company's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

All customer assets will be held by the custodian selected by the client at the time it enters into an investment advisory agreement with the Company. The Company will not hold customer funds or securities and is independent of the custodians of its clients' accounts.

The Company generally debits its advisory fees from client accounts. While fee debiting creates technical custody, the Custody Rule provides an exception from the requirement for the adviser with custody in this manner to obtain an annual surprise asset verification provided the only reason the adviser is deemed to have custody is by its automatic fee debiting authority. The Company does not obtain custody of client assets in any way other than its fee debiting authority.

ITEM 16: INVESTMENT DISCRETION

Certain client accounts are managed by the Company on a discretionary basis. When an account is opened, the client signs a limited power of attorney giving the Company authority to purchase and sell securities for the account in accordance with the client's investment objective(s) and risk tolerance, deduct management fees and distribute funds in the client's name to the address on record for the account. Most accounts are managed by unaffiliated advisers and broker-dealers through Platforms who select investment models recommended by the Company. For these accounts, the Company does not have investment discretion to make investment recommendations or trading decisions on behalf of the accounts.

ITEM 17: VOTING CLIENT SECURITIES

Generally, for any security that entails a voting right in the underlying company, the Company will not have or accept authority for voting proxies with respect to securities held in its client's managed accounts, except on a conditional basis as approved by the Company. All voting issues, proxies, and solicitations will be communicated to clients through the client's custodian. The Company will not provide advice regarding voting of proxies.

With respect to the mutual funds managed by the Company, as well as other accounts, we have engaged Institutional Shareholder Services (“ISS”) to assist us with the proxy voting process. Alex Earp, the Company’s Chief Compliance Officer is currently the Company’s proxy voting manager (the “Proxy Voting Manager”). When the Proxy Voting Manager exercises voting rights in consultation with ISS, by proxy or otherwise, with respect to the mutual funds we manage, the Proxy Voting Manager will vote the shares held in the same proportion as the votes of all other holders of such security.

Clients may obtain a copy of the Company’s proxy voting policies and procedures upon request. The primary contact with respect to this policy is the Chief Compliance Officer.

ITEM 18: FINANCIAL INFORMATION

The Company has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceedings.