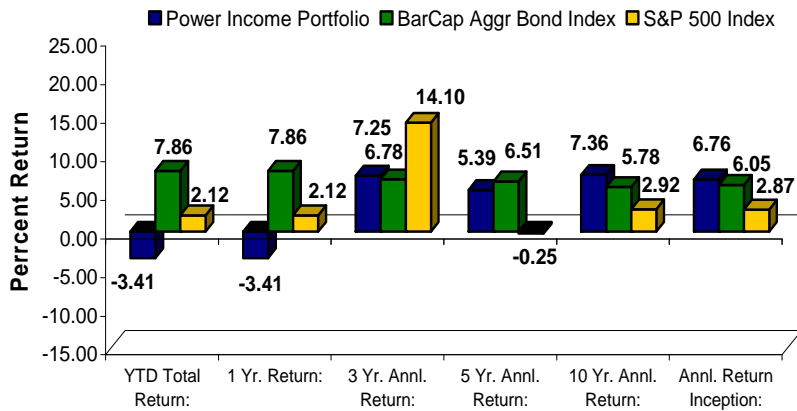
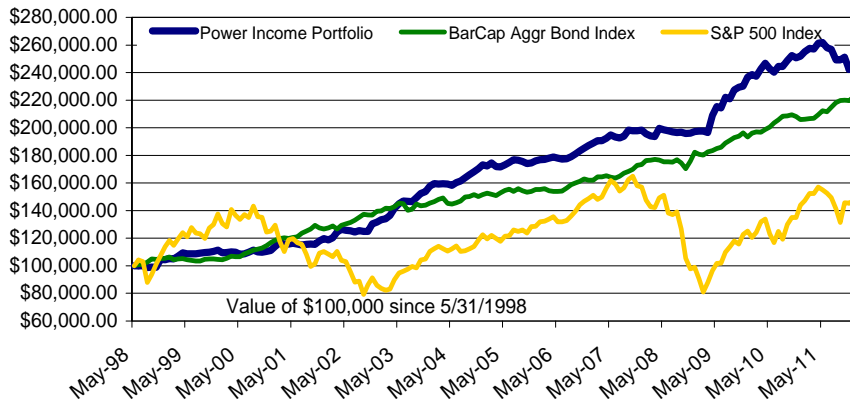


# Power Income Portfolio

## Returns for Period Ending December 31, 2011

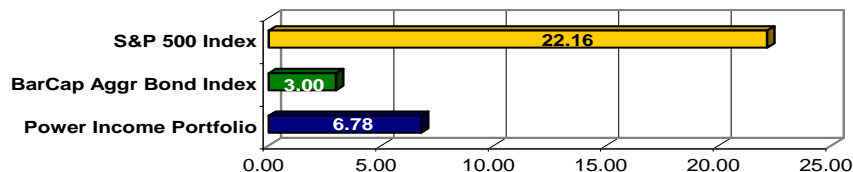


## Growth of \$100,000



	Year to Date	1 Year Total	3 Year Annl.	5 Year Annl.	10 Yr Annl.	Incept. Annl.
<b>Power Income Portfolio</b>	-3.41	-3.41	7.25	5.39	7.36	6.76
<b>S&amp;P 500 Index</b>	2.12	2.12	14.10	-0.25	2.92	2.87
<b>Aggregate Bond Index</b>	7.86	7.86	6.78	6.51	5.78	6.05

## Standard Deviation 3 Years



**W.E. DONOGHUE & CO., INC.**

MANAGING THE INVESTMENT OPPORTUNITIES OF YOUR LIFETIME

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This portfolio has the objective of maintaining long-term capital appreciation while producing high current returns. It invests primarily in high-yield bonds (sometimes termed "junk bonds") and money market funds, utilizing our proprietary defensive trading system to switch between these investments. The Power Income Fund, which W. E. Donoghue & Co. is the advisor, is utilized inside the portfolio which has the ability to go 100% to money markets. This is a relatively conservative portfolio and we use defensive trading to minimize risks and back out of the market and into money market funds when conditions warrant. The goal is to beat an index of all bonds, corporate and government.

## RISK PROFILE AND INVESTOR SUITABILITY

The Power Income Portfolio is based on a proprietary trading model constructed to move investments from high-yield bond funds to cash (money market funds) to minimize losses during a downturn and maximize gains during upturns. The portfolio, as with our other Portfolios, is based on the momentum of the markets themselves, and does not rely on subjective judgments to determine when the markets are changing.

This portfolio is an appropriate choice for conservative investors who may need to access their funds within the next six to 24 months and anyone whose primary goal is preservation of capital. It is an appropriate alternative for investors considering buying government or corporate bonds. The portfolio is often used in conjunction with our other portfolios for the conservative portion of a larger balanced portfolio.

\*All Returns are composite client returns, net of all fees, applicable loads and expenses; and normally include the reinvestments of all dividends and distributions. When this portfolio is used inside a variable annuity additional fees will apply. This strategy can utilize open-end mutual funds or variable insurance sub-accounts. W. E. Donoghue & Co., Inc.'s maximum annual advisory fees are 2.50% on first \$100,000, 1.95% on next \$150,000, 1.75% on next \$250,000, 1.50% on next \$500,000 and 1.00% on amounts over \$1,000,000. In addition, when The Power Income fund is utilized inside this strategy W. E. Donoghue & Co. will receive fees from the fund as the advisor to the fund. Individual client account results will vary from composite client returns. Past performance is no guarantee of future results or returns. Bonds in the comparative charts represent the average of all U.S. corporate and government bonds using the Barclays Aggregate Bond Index. Inception 5/31/1998.