

# POWER

MOMENTUM INDEX FUND

Tactical Index Management

FACT SHEET

2017

## FUND GOAL

The Fund has the primary objective of maximizing total return from income and capital appreciation with the preservation of capital a secondary objective.

## SECTOR TACTICAL OVERLAYS

- Sharpe Ratio
  - Sector Diversification
  - Equal Weighting
  - Quarterly Rebalancing
  - Quarterly Reconstitution
  - Tactical Overlay
- There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.

## PORTFOLIO STATISTICS

Class A Shares	Class C Shares	Class I Shares
Cusip Number: 66539A108	Cusip Number: 66539A207	Cusip Number: 66539A306
Ticker: MOJAX	Ticker: MOJCX	Ticker: MOJOX

	Class A Shares	Class C Shares	Class I Shares
Min. Investment	\$1,000	\$1,000	\$100,000
Subsequent Min.	\$100	\$100	\$0

Check with your platform or broker dealer for 1 share aggregation potential.

PROSPECTUS & ACCOUNT QUESTIONS:  
1-877-7-PWRINC 1-877-779-7462

MARKETING AND SALES QUESTIONS:  
1-800-642-4276

OR VISIT OUR WEBSITE:  
[www.POWERMUTUALFUNDS.com](http://www.POWERMUTUALFUNDS.com)

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

DEFENSIVE TACTICAL ASSET MANAGEMENT

One International Place, Suite 2920

Boston, MA 02110

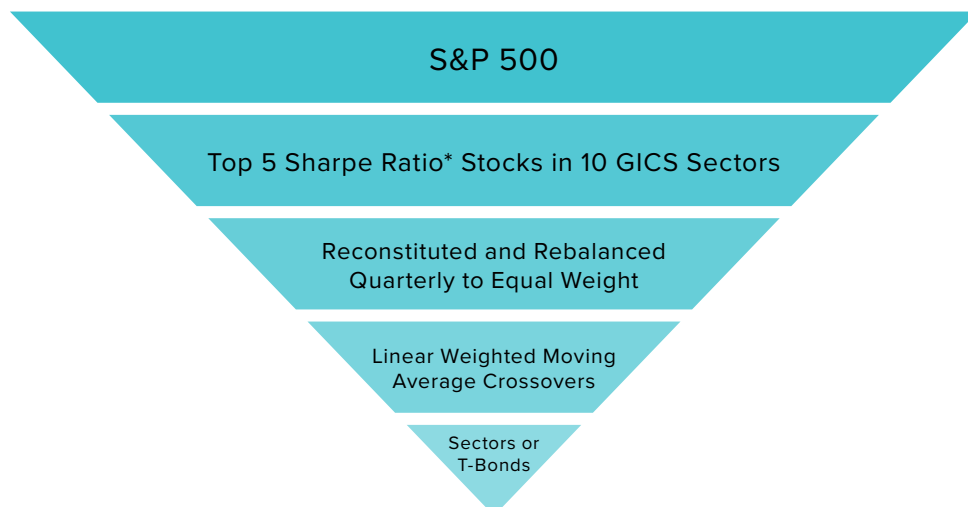
Phone: 800-642-4276 | Fax: 774-290-0006

E-mail: [info@donoghue.com](mailto:info@donoghue.com)

Website: [www.donoghue.com](http://www.donoghue.com)

# Rethink Your Index Turn on the POWER

## POWER MOMENTUM INDEX SELECTION PROCESS



The Power Momentum Index Fund tracks the W.E. Donoghue Power Momentum Index. The Power Momentum Index is a rules-based index calculated by Standard & Poor's Custom Indexes. The index is predicated upon the S-Network Sharpe Ratio Large Cap Index (SHRPX). The index employs multiple intermediate term tactical overlays to determine whether to be in a bullish or defensive posture by sector. The tactical overlays 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 ten of the GICS sectors that make up the Standard & Poor's 500 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, Telecommunications 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 while in its bullish posture must be constituents of the Standard & Poor's 500 Index. When in a defensive posture the index will be invested in the S&P/BG Cantor 1-3 Year U.S. Treasury Bond Index, thus the fund will be invested in short term Treasury ETFs to obtain exposure. When in a bullish posture the index and fund will re-constitute and rebalance quarterly.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Power Momentum Index Fund. This and other information about the Fund is contained in the prospectus and should be read carefully before investing. The prospectus can be obtained by calling toll free 1-877-779-7462 (1-877-7-PWRINC). The Power Momentum Index Fund is distributed by Northern Lights Distributors, LLC. Member FINRA/SIPC. W.E. Donoghue & Co., LLC is not affiliated with Northern Lights Distributors, LLC.

As with all mutual funds, there is the risk that you could lose money through your investment in the Fund. The net asset value of the Fund will fluctuate based on changes in the value of the equity securities in which it invests. Hedging strategies may not perform as anticipated by the adviser and the Fund could suffer losses by hedging with underlying money market funds if stock prices do not decline. If money market funds are utilized, such Underlying Funds are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing in the Fund will be higher than the cost of investing directly in Underlying Funds and may be higher than other mutual funds that do not invest in Underlying Funds. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

## INVESTMENT ADVISER TO THE FUND

W.E. Donoghue & Co., LLC (WEDCO), founded in 1986, is a leading advocate of successful proactive investment management and sector rotation strategies. WEDCO has been an independent money manager providing technically based risk management strategies to individual, corporate and pension clients. The firm currently manages over \$2.7 billion\* in assets under management or advisement in client assets and works with financial planners, investment advisors, and registered representatives to attempt to deliver risk adjusted investment solutions.

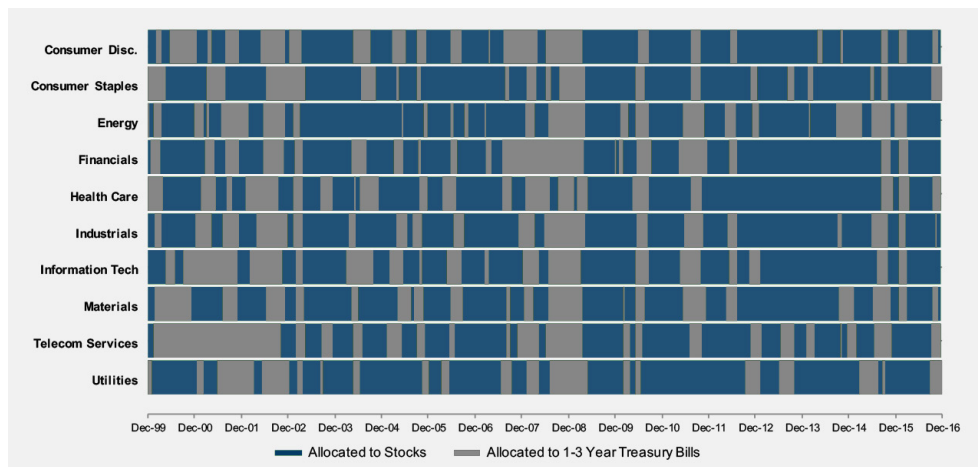
\*As of 9/29/2017

## INVESTMENT COMMITTEE

- Jeffrey R. Thompson
- William B. Dowler
- Richard E. Molari

## INDEX SECTOR ALLOCATIONS WITH TACTICAL OVERLAYS SINCE 1999

The Index Updates Sector Allocations Individually on a Daily Basis: **In the Sector = Blue, Out = Gray.**



Sector allocations are subject to change and should not be considered investment advice.

Source: SNetwork as of 12/31/2016

The W.E. Donoghue Power Momentum Total Return Index<sup>SM</sup> (PWRMOXTR) uses the total return variation of the S-Network Sharpe Ratio Index (SHRPXTR) to signal investment into and out of the SHRPXTR Index. The index inception began on February 26, 2016 as calculated by Standard and Poor's. The presented sector allocations are predicated upon the linear weighted moving average crossover indicators applied to the S&P 500 GIC sectors and is for informational purposes only.

The inclusion of the S&P 500 Index and S&P GIC Sector results are for comparison purposes only. The S&P 500 Index is a market capitalization weighted index of 500 widely held stocks often used as a proxy for the stock market. Standard and Poor's chooses the member companies based upon market size, liquidity, and industry group representation. Included are stocks of industrial, financial, utility, and transportation companies. The historical performance results of the S&P 500 Index are unmanaged; do not reflect the deduction of transaction and custodial charges, or the deduction of a management fee, the incurrence of which would have the effect of decreasing indicated historical performance results and cannot be invested in directly. Economic factors, market conditions and investment strategies will affect the performance of any portfolio, and therefore are not assurances that it will match or outperform any particular benchmark.

The S-Network Sharpe Ratio Index, SHRPX and SHRPXTR ("Index") are service marks of S-Network Global Indexes Inc. ("Licensor") and have been licensed for use by W. E. Donoghue & Co., LLC. Any financial product based on the Index or any index derived there from ("the Product") which is offered by W.E. Donoghue & Co. LLC is not sponsored, endorsed, sold or promoted by S-Network Global Indexes Inc. and S-Network Global Indexes Inc. makes no representation regarding the advisability of investing in the Product.

Licensor makes no representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly. Licensor's only relationship to the Licensee is the licensing of certain service marks and trade names of Licensor and of the Index that is determined, composed and calculated by Licensor without regard to the Licensee or the Product. Licensor has no obligation to take the needs of the Licensee or the owners of the Product into consideration in determining, composing or calculating the Index. Licensor is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. Licensor has no obligation or liability in connection with the administration, marketing or trading of the Product.

LICENSOR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND LICENSOR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. LICENSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. LICENSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL LICENSOR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk.

Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by W.E. Donoghue & Co., LLC. S-Network Global Indexes Inc.'s trademarks are trademarks of the S-Network Global Indexes Inc. and have been licensed for use by S&P Dow Jones Indices LLC and W.E. Donoghue & Co., LLC. The "W.E. Donoghue Power Momentum Index" is a product of S&P Dow Jones Indices LLC, and has been licensed for use by W.E. Donoghue & Co., LLC. W.E. Donoghue & Co., LLC's Power Momentum Index is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, their respective affiliates, or S-Network Global Indexes Inc. and neither S&P Dow Jones Indices LLC, Dow Jones, S&P, their respective affiliates or S-Network Global Indexes make any representation regarding the advisability of investing in such product(s).