

FORM ADV Uniform Application for Investment Adviser Registration
Part II - Page 1

OMB APPROVAL	
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Name of Investment Adviser:

W. E. Donoghue & Co., Incorporated

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code:

Telephone Number:

629 Washington Street

Norwood

MA

(800) 642-4276

This part of Form ADV gives information about the investment adviser and its business for the use of clients.

The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant:
W. E. Donoghue & Co., Inc.

SEC File Number:
801-27959

Date:
3/31/2010

Definitions for Part II

Related person -- Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services -- Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. **Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)

Applicant:

- | | | |
|-------------------------------------|--|------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | 100% |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services..... | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription..... | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any services described above | % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | % |
| <input type="checkbox"/> | (8) Provides a timing service..... | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | % |

***THESE ARE ESTIMATES.**

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes ☐ No ☒

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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3. **Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <p>A. Equity Securities</p> <p><input checked="" type="checkbox"/> (1) exchange-listed securities</p> <p><input checked="" type="checkbox"/> (2) securities traded over-the-counter</p> <p><input type="checkbox"/> (3) foreign issuers</p> <p><input type="checkbox"/> B. Warrants</p> <p><input type="checkbox"/> C. Corporate debt securities
(other than commercial paper)</p> <p><input type="checkbox"/> D. Commercial paper</p> <p><input type="checkbox"/> E. Certificates of deposit</p> <p><input type="checkbox"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input checked="" type="checkbox"/> (1) variable life insurance</p> <p><input checked="" type="checkbox"/> (2) variable annuities</p> <p><input checked="" type="checkbox"/> (3) mutual fund shares</p> | <p><input type="checkbox"/> H. United States government securities</p> <p>I. Options contracts on:</p> <p><input type="checkbox"/> (1) securities</p> <p><input type="checkbox"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="checkbox"/> (1) tangibles</p> <p><input type="checkbox"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="checkbox"/> (1) real estate</p> <p><input type="checkbox"/> (2) oil and gas interests</p> <p><input type="checkbox"/> (3) other (explain on Schedule F)</p> <p><input type="checkbox"/> L. Other (explain on Schedule F)</p> |
|---|--|

4. **Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F)
or spreading strategies |
| (4) <input checked="" type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....☒ No ☐ Yes

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.
(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input checked="" type="checkbox"/> (3) other investment adviser | <input checked="" type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) adviser or futures commission merchant banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ☒ No ☐ Yes

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similar termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

W. E. Donoghue & Co., Inc. accounts are generally reviewed on an annual basis. A W. E. Donoghue & Co., Inc. and officer or account reviewer is assigned to an account at the time that the account is opened and assists the client in determining his or her investment objective(s) and risk tolerance. The client is encouraged through annual mailings, to contact his or her 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 the account reviewer attempts to interview all clients. W. E. Donoghue and Co., Inc. has two account reviewers: Jeffery R. Thompson and William B. Dowler each are assigned approximately 320 accounts. Each reviewer is instructed to review compliance with the clients' objective(s) and the current recommendation of W.E. Donoghue and Co., Inc.'s Investment Policy Committee.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Each client receives 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 W.E. Donoghue and Co., Inc.'s direction. In addition, at least quarterly, W.E. Donoghue and Co., Inc. provides each client with a quarterly statement detailing the status of the account as of the close of that quarter.

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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Yes | No |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?..... ☒ Yes ☐ No
- No
- B. directly or indirectly compensates any person for client referrals?..... ☒ Yes ☐ No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? ☐ Yes ☒ No

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated		IRS Empl. Ident. No.: 04-2927644
Item of Form (identify)	Answer	
1.D	<p><u>Advisory Services and Fees.</u></p> <p>W. E. Donoghue & Co., Inc. provides discretionary account management to individuals, corporations and institutions. Model mutual fund and Exchange-Traded Fund investment portfolios are developed and serve as the basis to meet specific investor needs for risk-adjusted returns and are comprised of seven dynamic asset allocation portfolios and five strategic asset allocation portfolios.</p> <p>Fundamental economic analysis and technical research from both proprietary and external sources are combined in the development and maintenance of investment strategies. Principals of investment diversification are applied across broad market segments in an effort to reduce overall portfolio risk while improving potential investment returns.</p> <p>Computer based screening/analysis is employed to evaluate fund performance and to assist in the selection process. W. E. Donoghue & Co., Inc. continuously monitors the financial markets for any sign of relative strength or weakness. When a decision is made to shift assets, execution of orders for all accounts with similar investment objectives is made generally the same day. Switches between fund families based on results of the performance screening process can be more frequent, but occur on average no more than six times per year in most accounts. Some holdings (ETFs) in these portfolios trade like stocks, brokerage trading fees or asset based pricing fees in addition to advisory fees assessed by W.E. Donoghue & Co., Inc. will apply. In addition, some mutual fund classes of shares have transaction fees. Each custodian has its own pricing schedule.</p> <p>Donoghue's Tactical Growth Portfolios are a series of investment portfolios (strategic alternatives) utilizing Mutual Funds, Exchange-Traded Funds (ETFs) and High Yield Bond Funds -- constructed with a combination of defensive high yield bond fund management and sector momentum techniques. These portfolios are tactical in nature; designed to control risk through defensive market timing while capturing evolving economic trends as various sectors of the market rotate in and out of favor. The Tactical Asset Allocation Portfolios are constructed to capitalize on the low cost, high efficiency nature of Exchange Traded Funds and sector and index mutual funds.</p> <p>The Power Income Portfolio (a strategic alternative) 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. 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. 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.</p> <p>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.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer
1.D Continued	<p>The Diversified Global Sector Fund Portfolio (a strategic alternative) This portfolio (DGSP for short) is for investors who seek high market return potential from an actively-managed portfolio of sector, single country, regional, international stock, fixed income and money market funds. The portfolio holds four funds, at any given time, from a universe of as many as 25+ (universe may vary depending on availability). The Diversified Global Sector Fund Portfolio is designed to track the continuing sector rotation of the markets as well as the general moves among stocks, bonds and international markets. Holding four funds at any given time provides greater diversification than holding one, which provides greater stability at the cost of some upside potential.</p> <p>The Diversified Sector Portfolio is appropriate for investors with a high-risk tolerance. This portfolio is suitable for investors with a time horizon of five years or longer, as it can exhibit short-term volatility greater than the overall stock market, but has excellent upside potential for those who are able to commit their investments for a longer period. The portfolio is designed to have risk greater than the overall market, with greater upside potential.</p> <p>The Long-Short Diversified Index Fund Portfolio (a strategic alternative) This portfolio is designed for accounts with the investment objective of profiting from proactive trading in both BULL (rising) and BEAR (declining) markets, this Portfolio is comprised of eight roughly-equal fund positions. Each position is chosen based on it's relative-strength and momentum.</p> <p>In bull markets, Portfolio positions are chosen from a universe of 25 or more, domestic sector, index or broad asset class funds.</p> <p>In bear markets, positions are chosen from enhanced bear market index funds. Enhanced bear market index funds include funds with the investment objective of inversely mirroring stock index performance, in this case, earning profits in bear markets. If the market index goes down these funds are designed to go up in value.</p> <p>The universe of funds may consist of open ended mutual funds, exchange traded funds (ETFs) or Variable Insurance sub-accounts.</p> <p>This Portfolio is an aggressive portfolio which has excellent upside potential for patient investors with a five- to ten-year time horizon.</p> <p>It is designed to participate in the intermediate- term trends in eight stock market indexes or sector indexes at a time to provide broad diversification and to cut its losses on a timely basis. It is not designed to forecast short-term market turns (which can often reverse before you can identify them).</p> <p>Aggressive Tactical Growth Portfolio – This portfolio utilizing sector index funds is designed for investors who seek maximum returns from an actively traded portfolio, which includes domestic sector and index funds, broad asset class funds, international funds, and fixed income funds. The portfolio holds a maximum of ten funds from a universe of at least 25 at any given time.</p> <p>This Portfolio has the ability to invest up to 100% of its assets in fixed income and money market funds.</p> <p>The universe of funds may consist of open ended mutual funds, exchange traded funds (ETF's) or Variable Insurance sub-accounts.</p> <p>The Aggressive Tactical Growth Portfolio is designed to track the continuing sector rotation</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
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Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer
1.D Continued	<p>of the markets as well as general moves among domestic stocks, international stocks and bonds. Holding ten funds at any given time provides diversification, which provides greater stability at the cost of some upside potential. This portfolio is appropriate for investors with a high-risk tolerance. It is suitable for investors with a time horizon of five years or longer, as it can exhibit short-term volatility greater than the overall stock market, but has excellent upside potential for those who are able to commit their investments for a longer period. This portfolio is designed to have risk greater than the overall market, with greater upside potential.</p> <p>Moderate Tactical Growth Portfolio – This portfolio utilizing sector index funds is designed for investors who seek the upside potential of sector rotation into domestic or international stocks coupled with defensive bond fund management. This actively managed portfolio will rotate 75% of the assets amongst domestic sector funds, broad asset class funds, international funds, fixed income funds and money market funds. The rotation portion of the portfolio consists of a maximum of ten funds from a universe of at least 25 funds at any given time.</p> <p>The remaining 25% of the assets will be defensively invested in bond funds with a mechanism to reduce risk and move to money market funds when circumstances warrant.</p> <p>This Portfolio has the ability to invest up to 100% of its assets in fixed income and money market funds.</p> <p>The universe of funds may consist of open ended mutual funds, exchange traded funds (ETF's) or Variable Insurance sub-accounts.</p> <p>The investments within this portfolio are selected in such a way as to create a risk level equal to that of the S&P 500, but with greater upside potential. This Moderate Tactical Growth Portfolio is appropriate for investors with moderate risk tolerance and a time horizon of three years or longer, as it can exhibit short-term volatility.</p> <p>Conservative Tactical Growth Portfolio - This portfolio utilizing sector index funds is designed for investors who seek the upside potential of sector rotation into domestic or international stocks coupled with defensive bond fund management. This actively managed portfolio will rotate 50% of the assets amongst domestic sector and index funds, broad asset class funds, international funds and fixed income funds. The rotation portion of the portfolio consists of a maximum of ten funds from a universe of at least 25 funds at any given time.</p> <p>The remaining 50% of the assets will be defensively invested in bond funds with a mechanism to reduce risk and move to money market funds when circumstances warrant.</p> <p>This Portfolio has the ability to invest up to 100% of its assets in fixed income and money market funds.</p> <p>The universe of funds may consist of open ended mutual funds, exchange traded funds (ETF's) or Variable Insurance sub-accounts.</p> <p>The investments within this portfolio are selected in such a way as to create a risk level less than that of the S&P 500. This Conservative Tactical Growth Portfolio is appropriate for investors with a relatively low risk tolerance and is suitable for investors with a time horizon of one year or longer. It is an excellent choice for the investor seeking a safe haven in a turbulent world, but still retaining upside potential.</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
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Continuation Sheet for Form ADV Part II**

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer
1.D Continued	<p>Global Tactical Growth Portfolio - This portfolio is designed for accounts with the investment objective of profiting from proactive trading in both Bull (rising) and Bear (falling) markets, this Portfolio is comprised of as many as ten positions. Each position is chosen based on its relative-strength and momentum from a universe of approximately 100 funds.</p> <p>In bull markets, portfolios are chosen from a universe of domestic sector/industry funds, global sector/industry funds, domestic market cap funds, domestic style index funds, international country and regional funds, fixed income funds, and specialty funds.</p> <p>In bear markets, positions are chosen from enhanced bear market index funds and fixed income funds such as money market funds. Enhanced bear market index funds include funds with the objective of inversely mirroring stock index performance, in this case potentially earning profits in bear markets. If the market index goes down these funds are designed to go up in value.</p> <p>The universe of funds may consist of open-ended mutual funds or exchange traded funds.</p> <p>This portfolio is an aggressive portfolio which has excellent upside potential for patient investors with a time horizon greater than ten years. It is designed to participate in the intermediate-term trends applied to a global universe of funds and hold as many as ten positions at a time. It is not designed to forecast short-term market turns. The strategy is designed for the assertive investor who can withstand a high level of volatility. The strategy may invest in international funds offering less liquidity and thus increase risk. In addition, the portfolio may invest in inverse funds which increases loss to principal when the underlying fund indices held are increasing in value.</p> <p>Donoghue's strategic asset allocation Portfolios are a series of investment portfolios utilizing Mutual Funds and Exchange-Traded Funds (ETFs). These portfolios are strategic in nature; designed to control risk through diversification while capturing evolving economic trends as various sectors of the market rotate in and out of favor. The Strategic Asset Allocation Portfolios are constructed to capitalize on the low cost, high efficiency nature of Exchange Traded Funds (ETFs).</p> <p>Strategic Capital Preservation Portfolio - This portfolio utilizing Exchange Traded index funds is designed for investors who seek income and growth returns from a passively managed portfolio, which includes domestic broad asset class index funds, international equity index funds, bond index funds and money market funds. The portfolio will hold seven to eleven funds at any given time. The strategy is managed by employing strategic asset allocation. Asset allocation involves investing your money in different categories generally in stocks, bonds, and cash. The goal is to seek the optimum balance between risk and return. The strategy will rebalance to the target asset allocation percentages at least annually. The Strategic Preservation of Capital Portfolio is appropriate for investors with a Conservative risk tolerance. This model portfolio allocates 35% of assets to equity investment strategies, 50% of assets to fixed income investment strategies and 15% to money markets. The 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. The portfolio primarily seeks income and growth from investment assets. To help manage the volatility of the portfolio the strategy will divide the holdings among growth, value and international asset classes as well as fixed income asset classes and money markets.</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer
1.D Continued	<p>Strategic Conservative Growth Portfolio - This portfolio utilizing Exchange Traded index funds is designed for investors who seek conservative returns from a passively managed portfolio, which includes domestic broad asset class index funds, international equity index funds, bond index funds and money market funds. The portfolio will hold seven to eleven funds at any given time. The Strategic Conservative Growth Portfolio is appropriate for investors with a Conservative risk tolerance. This model portfolio allocates 55% of assets to equity investment strategies, 35% of assets to fixed income investment strategies and 10% to money markets. The portfolio is suitable for investors with a relatively short time horizon of at least 1 year as it can exhibit short-term volatility somewhat less than an all stock portfolio, but has excellent upside potential for those who are able to commit their investment for the short to medium term period. The portfolio primarily seeks growth and income from investment assets. To help manage the volatility of the portfolio the strategy will divide the holdings among growth, value and international asset classes as well as fixed income asset classes and money markets</p> <p>Strategic Balanced Growth Portfolio - This portfolio utilizing Exchange Traded index funds is designed for investors who seek moderate returns from a passively managed portfolio, which includes domestic broad asset class index funds, international equity index funds and bond index funds. The portfolio will hold eight to twelve funds at any given time. The Strategic Balanced Growth Portfolio is appropriate for investors with a moderate risk tolerance. This model portfolio allocates 65% of assets to equity investment strategies and 35% of assets to fixed income investment strategies. The portfolio is suitable for investors with a medium time horizon of at least 5 years as it can exhibit short-term volatility somewhat less than an all stock portfolio, but has excellent upside potential for those who are able to commit their investment for a medium term period. The portfolio primarily seeks growth of investment assets. To help manage the volatility of the portfolio the strategy will divide the holdings among growth, value and international asset classes as well as fixed income asset classes.</p> <p>Strategic Capital Growth Portfolio - This portfolio utilizing Exchange Traded index funds is designed for investors who seek moderately aggressive returns from a passively managed portfolio, which includes domestic broad asset class index funds, international equity index funds and bond index funds. The portfolio will hold nine to twelve funds at any given time. The Strategic Growth Portfolio is appropriate for investors with a medium to high-risk tolerance. This model portfolio allocates 85% of assets to equity investment strategies and 15% of assets to fixed income investment strategies. The portfolio is suitable for investors with a medium to long-term time horizon as it can exhibit short-term volatility equivalent to the overall stock market, but has excellent upside potential for those who are able to commit their investment for a longer period. The portfolio primarily seeks growth of investment assets. To help manage the volatility of the portfolio the strategy will divide the holdings among growth, value and international asset classes as well as fixed income asset classes.</p> <p>Strategic Aggressive Growth Portfolio - This portfolio utilizing Exchange Traded index funds is designed for investors who seek maximum returns from a passively managed portfolio, which includes domestic broad asset class index funds and international equity index funds. The portfolio will hold seven to ten funds at any given time. The Aggressive Strategic Growth Portfolio is appropriate for investors with a high-risk tolerance. This model portfolio allocates 100% of assets to equity investment strategies. The portfolio is suitable for investors with a long-term time horizon as it can exhibit short-term volatility greater than the overall stock market, but has excellent upside potential for those who are able to commit their investment for a longer period. The portfolio primarily seeks growth of</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
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Applicant:	SEC File Number:	Date:
W. E. Donoghue & Co., Inc.	801- 27959	3/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer												
1.D Continued	<p>investment assets. To help manage the volatility of the portfolio the strategy will divide the holdings among growth, value and international asset classes.</p> <p>W. E. Donoghue & Co., Inc. also provides discretionary asset management for the holders of variable annuity insurance contracts. The firm allocates the contract holder's assets among the separate accounts that serve as investment vehicles for the variable annuity contract in a manner consistent with those applied in the management of its model portfolios.</p> <p>W. E. Donoghue & Co., Inc. provides these investment management services for a fee, which are based on a percentage of assets under management. Variations may be made depending on the relationship between W. E. Donoghue & Co., Inc. and the adviser or broker introducing the client. Any such variation is disclosed and agreed to in the clients' Investment Advisory Contract. Fees are generally not negotiable, but exceptions may be made in special circumstances.</p> <p>When the custodian of client assets is Charles Schwab & Co., Inc., TD Ameritrade Institutional, Fidelity Investments Institutional Brokerage, US Allianz Life Assurance Company, Security Benefit Life Insurance Company, Axa Equitable Life Insurance Company, Nationwide Life Insurance Company, Midland National Life Insurance Company, Old Mutual Life Insurance Company or Prudential/American Skandia Life Assurance Company, the annual fees listed below are payable quarterly in advance and are based on the average net asset value (of the last day of the three previous months), including cash and cash equivalents, of each account. When the custodian of client assets is Foliofn Investments, the annual fees listed below are payable in arrears on a quarterly basis and are calculated on the average daily value of the account assets under management during the immediately preceding calendar quarter.</p> <p>The maximum annual fee structure for accounts is currently:</p> <table> <tr> <td>Assets Managed</td><td>Annual Fee</td></tr> <tr> <td>Up to \$99,999</td><td>2.50%</td></tr> <tr> <td>\$100,000 to \$249,999</td><td>1.95%</td></tr> <tr> <td>Next \$250,000</td><td>1.75%</td></tr> <tr> <td>Next \$500,000</td><td>1.50%</td></tr> <tr> <td>Assets over \$1,000,000</td><td>1.00%</td></tr> </table> <p>A client may cancel his or her Investment Advisory Contract by providing W. E. Donoghue & Co., Inc. with 30-day 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. A client may withdraw from this contract without penalty or fees within 5 business days of receipt of his or her Investment Advisory Contract.</p> <p>Clients should be aware that mutual funds whose shares are held in client accounts pay advisory and other fees and expenses out of their assets (as do other fund shareholders who are not clients of W.E. Donoghue & Co., Inc.) that are in addition to the account fees payable to W. E. Donoghue & Co., Inc. A prospective client may deal directly with the mutual fund and pay no fee to W. E. Donoghue & Co., Inc. for such investments.</p> <p>Upon request a copy of W. E. Donoghue & Company, Inc.'s Code of Ethics will be forwarded.</p>	Assets Managed	Annual Fee	Up to \$99,999	2.50%	\$100,000 to \$249,999	1.95%	Next \$250,000	1.75%	Next \$500,000	1.50%	Assets over \$1,000,000	1.00%
Assets Managed	Annual Fee												
Up to \$99,999	2.50%												
\$100,000 to \$249,999	1.95%												
Next \$250,000	1.75%												
Next \$500,000	1.50%												
Assets over \$1,000,000	1.00%												

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Item of Form (identify)	Answer
5.	<p><u>Education and Business Standards.</u></p> <p>W. E. Donoghue & Co., Inc. generally requires that all of those employees involved in determining or giving investment advice have an undergraduate degree from an accredited college or university and have either an advanced business degree or at least four years experience in investment management or a related field.</p>
6.	<p><u>Education and Business Background.</u></p> <p>W. E. Donoghue & Co., Inc.'s Principal Executive Officers are: William E. Donoghue (Chairman, President, CEO, and Treasurer), Jeffrey R. Thompson (Senior Vice President), Gerard Casey (Vice President – Operations) and William B. Dowler (Vice President & CCO)</p> <p>William E. Donoghue, Jeffrey R. Thompson and William B. Dowler are members of W. E. Donoghue & Co., Inc.'s Investment Policy Committee. The Committee meets on a weekly basis to determine (i) whether market trends indicate a re-allocation of the assets held in client accounts and (ii) to consider the performance of specific fund families and specific funds within those families.</p> <p>Listed below for W. E. Donoghue & Co., Inc.'s Executive Officers and Investment Policy Committee Members is the following information: name, year of birth, formal education after high school, and business background for the past five years.</p> <p>William E. Donoghue: Chief Executive Officer, Investment Policy Committee; Born 1941; Lehigh University BA 1963; Temple University MBA 1975; W. E. Donoghue & Co., Inc., 1986 – present.</p> <p>Jeffrey R. Thompson: Senior Vice President; Member, Investment Policy Committee; Born 1969; Fairfield University BS Accounting 1991; Cowen & Co., Account Executive, 1994-1996, BTS Asset Management, Regional Vice President, 1996-1998, W. E. Donoghue & Co., Inc., 1998 – present.</p> <p>William B. Dowler: Vice President, CCO; Member, Investment Policy Committee; Born 1962; University of Massachusetts BA Economics 1989; State Street Bank & Trust Co. 1989-1994; W. E. Donoghue & Co., Inc. 1994-1999; Lincoln Investment Planning, Inc, 1999-1999; Franklin Securities, LLC 1999-2001; Jefferson Pilot Securities Corp. 2001-2002; W. E. Donoghue & Co., Inc. 2002-present.</p> <p>Gerard Casey, Vice President – Operations, Born 1955; University of Massachusetts BA Mathematics 1979, SSC Distribution Services, Customer Trading Representative 1990-1994, W.E. Donoghue & Co., Inc., 1994 to present.</p>
7.C	<p><u>Other Business Activities.</u></p> <p>In addition to serving as W. E. Donoghue & Co., Inc.'s Chief Executive Officer and Treasurer, Mr. Donoghue owns and operates The Donoghue Group, Inc., a newsletter and book publisher. He is also a book author, lecturer, consultant, and expert witness. In addition, Mr. Donoghue owns Lifestyle Insurance Agency, Inc. an independent life insurance marketing firm. Mr. Donoghue's time is dedicated equally to each of these principal activities.</p>

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Item of Form (identify)	Answer	
8.C.1, 8.C.3, 8.C.9	<p><u>Other Financial Industry Activities or Affiliates</u></p> <p>Jeffrey R. Thompson and William B. Dowler are Registered Representative Agents of SummitAlliance Securities, LLC a FINRA registered Broker-dealer. On occasion, they may effect transactions on behalf of clients of W.E. Donoghue & Co., Inc with respect to the purchase of variable insurance products and or mutual funds. The registered representative effecting the sale of an investment product may receive a commission for the sale of such product. Commission payments are made directly to the individual registered representative who effected the transaction. Prior to effecting a sale of an investment product, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to W.E. Donoghue & Co., Inc. with respect to such transactions.</p> <p>W.E. Donoghue & Co, Inc. may provide investment advisory services to clients of other Investment Advisor Firms. These arrangements are generally referred to as sub-advisory agreements or signal agreements. Under such agreements, W.E. Donoghue & Co., Inc. will be acting as a sub-advisor to the investment advisor. In exchange for providing sub-advisory services, W.E. Donoghue & Co., Inc. will receive an investment advisory fee for the services provided. Such fees will be paid either by the investment advisor or directly by the client of the investment advisor. The fee that W.E. Donoghue & Co., Inc. receives for such services will at no time exceed 0.75% of assets it is managing as a sub-advisor. As a general rule, W.E. Donoghue & Co., Inc. will manage a designated portion of a client's assets in accordance with the investment objectives the client has reached with the investment advisor.</p> <p>W. E. Donoghue & Co., Inc. may also engage in a solicitation agreement with Registered Representative Agents of other Investment Advisor Firms. In exchange for soliciting clients for W. E. Donoghue & Co., Inc., W. E. Donoghue & Co., Inc. will share the advisory fees received with the Advisor up to 50% of the fees collected.</p> <p>Prudential/American Skandia Life Assurance Corporation located in Shelton, CT; Nationwide Financial located in Columbus, OH; US Allianz Life Insurance Company of North America in Minneapolis, MN; Midland National Life Insurance Company in Sioux Falls, SD; Old Mutual Life Insurance Company in Baltimore MD; Axa Equitable Life Insurance Company in Newark, NJ and Security Benefit Life Insurance Company in Topeka, KS provide variable annuity and variable universal life insurance contracts. W.E. Donoghue & Co., Inc. has established a third party investment advisory agreement with these companies to request financial transactions related to the allocation of account values on behalf of W.E. Donoghue & Co., Inc.'s clients and to request a redemption of management fees ranging from 1.95% to 1.0% of the average monthly annuities value from the account as payment by such annuity and life insurance contract owners for providing such investment advisory and/or allocation services.</p>	
9.B, 9.D, 9.E	<p><u>Participation or Interest in Client Transactions.</u></p> <p>W. E. Donoghue & Co., Inc. is independent of all the mutual fund management companies. The fund selection process (and the direction of client assets to the funds selected) is based only on W. E. Donoghue & Co., Inc.'s analysis of past performance and estimation of potential future returns. Mr. Donoghue 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 W. E. Donoghue & Co., Inc. clients. However, the existence of such relationship does not affect</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated		IRS Empl. Ident. No.: 04-2927644
Item of Form (identify)	Answer	
9.B, 9.D, 9.E continued	<p>in any way the investment decisions that W. E. Donoghue & Co., Inc. makes for its clients.</p> <p>Jeffrey R. Thompson and William B. Dowler are Registered Representative Agents of SummitAlliance Securities, LLC in Dallas, TX a FINRA registered Broker-dealer. On occasion, they may effect transactions on behalf of clients of W.E. Donoghue & Co., Inc with respect to the purchase of investment products. The registered representative effecting the sale of a investment product may receive a commission for the sale of such product. Commission payments are made directly to the individual registered representative who effected the transaction. Prior to effecting a sale of a variable insurance product, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to W.E. Donoghue & Co., Inc. with respect to such transactions.</p> <p>W. E. Donoghue & Co., Inc., its directors and officers may from time to time buy or sell shares of mutual funds that are also purchased or sold for W. E. Donoghue & Co., Inc. 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. W. E. Donoghue & Co., Inc. 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's 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.</p>	
10.	<p><u>Conditions for Managing Accounts.</u></p> <p>The minimum amount required to establish a W. E. Donoghue & Co., Inc. account is generally \$100,000 for all account portfolios. W. E. Donoghue & Co., Inc. 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 \$100,000 may be accepted on an individual basis at the discretion of the Senior Management of W.E. Donoghue & Co., Inc.</p>	
12.A.1, 12.A.2, 12.A.4, 12.B	<p><u>Investment or Brokerage Discretion.</u></p> <p>All client accounts are managed by W. E. Donoghue & Co., Inc. on a discretionary basis. When an account is opened, the client signs a limited power of attorney giving W. E. Donoghue & Co., Inc. authority to purchase and sell securities for the account in accordance with the client's investment objective(s) and risk tolerance.</p> <p>When an account is opened, the client also designates the broker-dealer that W. E. Donoghue & Co., Inc. should use to execute transactions for the account. Since it is W. E. Donoghue & Co., Inc.'s policy to invest client assets primarily in mutual funds that are available without a sales load, W. E. Donoghue & Co., Inc. has developed relationships with TD Waterhouse Institutional, Schwab Institutional, Fidelity Investments and the Fidelity Investment Advisor Group for client use. This provides W. E. Donoghue & Co., Inc. with the ability to purchase certain load mutual fund shares for the account without a sales load because of sales load waivers that are made available to accounts managed by Investment Advisers who trade through TD Waterhouse Mutual Fund Network, Schwab</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Item of Form (identify)	Answer															
12.A.1, 12.A.2, 12.A.4, 12.B continued	<p>OneSource or the Fidelity FundsNetwork. In addition, clients may be charged a short-term trading fee when investing in Fidelity International and Select Funds. These redemption fees have ranged from 0.75% on shares held less than 30 days to 1.50% on shares held less than 90 days. W.E. Donoghue & Co., Inc receives no part of these fees. In the future, W. E. Donoghue & Co., Inc. may enter into similar arrangements with other discount brokerage firms that have instituted similar sales load waiver programs or other institutional discounts for money managers. W.E. Donoghue & Co., Inc. attempts to negotiate lower fees with custodians for its clients whenever possible.</p> <p>Although most mutual fund shares or equity positions may be purchased without a sales load, most transactions executed through Schwab, Foliofn, Fidelity or TD Waterhouse does involve nominal transaction fees that are deducted from the client’s account.</p> <p>Clients who maintain brokerage services with Schwab may choose to pay an asset-based fee in lieu of transaction based commissions.</p> <p>Details applicable specifically to Schwab’s Asset Based Pricing is as follows:</p> <p>The information contained in this section may be applicable to those individuals with funds in the custody of Schwab. This information is normally carried as an addendum to applicable Schwab Institutional, account application (“Application”) and is part of the Account Agreement, between the named Account Holder(s) (“you”) and Charles Schwab & Co., Inc. (“Schwab”). This information sets forth the terms and conditions under which Schwab will charge, and you agree to pay Schwab, a single periodic asset-based fee (“ABP Service Fee”) based on the amount of certain assets in your Accounts to which asset-based pricing (“ABP”) applies (“ABP Accounts”). Schwab will charge ABP Service Fees generally in lieu of transaction-based commissions for most Schwab brokerage services to your ABP Accounts. These addendum terms will become effective, and ABP will apply to your Accounts, upon Schwab’s acceptance of the Addendum following your submission of it. Capitalized terms in this Addendum have the same meanings as in your Application unless otherwise defined in this Addendum. The term “Advisors” means your Investment Manager (“IM”) together with your designated Separate Account Managers (“SAMs”), if any, and any other investment advisor or consultant to you or your IM that you authorize to instruct Schwab with respect to your Accounts. If any of the terms of this Addendum conflict with those of your Application, Account Agreement or the ABP Schedule (as defined below), as may be amended from time to time, this Addendum will control.</p> <p>Asset-Based Pricing Fee Schedule</p> <table><tr><th><u>Tier</u></th><th><u>Tier Chargeable Assets</u></th><th><u>Tier Annual Rate</u></th></tr><tr><td>1</td><td>From \$0 to \$250,000*</td><td>50.0 basis points (0.0050)</td></tr><tr><td>2</td><td>From \$250,001- to \$1,000,000</td><td>25.0 basis points (0.0025)</td></tr><tr><td>3</td><td>From \$1,000,001 to \$2,000,000</td><td>20.0 basis points (0.0020)</td></tr><tr><td>4</td><td>On amount over \$2,000,000</td><td>17.0 basis points (0.00 17)</td></tr></table> <p>* Minimum Annual ABP Service Fee: \$750 (‘Periodic equivalent applied to each Billing Period)</p> <p><u>ABP Schedule Name: BT75OC (Tiered Blended Rate.)</u></p>	<u>Tier</u>	<u>Tier Chargeable Assets</u>	<u>Tier Annual Rate</u>	1	From \$0 to \$250,000*	50.0 basis points (0.0050)	2	From \$250,001- to \$1,000,000	25.0 basis points (0.0025)	3	From \$1,000,001 to \$2,000,000	20.0 basis points (0.0020)	4	On amount over \$2,000,000	17.0 basis points (0.00 17)
<u>Tier</u>	<u>Tier Chargeable Assets</u>	<u>Tier Annual Rate</u>														
1	From \$0 to \$250,000*	50.0 basis points (0.0050)														
2	From \$250,001- to \$1,000,000	25.0 basis points (0.0025)														
3	From \$1,000,001 to \$2,000,000	20.0 basis points (0.0020)														
4	On amount over \$2,000,000	17.0 basis points (0.00 17)														

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Item of Form (identify)	Answer
12.A.1, 12.A.2, 12.A.4, 12.B Continued	<p>1. ABP Services and Fees</p> <p>Subject to the terms and conditions of this Addendum and the Application, Schwab will act solely as broker-dealer (and not as an investment advisor) to effect transactions upon the instructions of your Advisors for your ABP Accounts, and you agree to pay Schwab's ABP Service Fees charged to each of your ABP Accounts. ABP Service Fees do not pay for, among other things, any of the following services:</p> <ul style="list-style-type: none"> (a) Services provided by broker-dealers other than Schwab (which may include affiliates of Schwab) for transactions executed or effected by or through them that settle into or from your ABP Accounts. You will be responsible for paying any commissions and other fees charged by other broker-dealers in connection with such transactions. Assets in your ABP Accounts that are purchased or sold through other broker-dealers will be included in the definition of Chargeable Assets (as defined below). Please note that your Advisors' use of Schwab's Prime Brokerage Services or Trade Away Services will involve execution of transactions for your Accounts by broker-dealers other than Schwab. (b) Schwab's (or an affiliate's) services in connection with transactions in which Schwab (or an affiliate) receives other compensation in lieu of transaction fees, including without limitation, any fees charged by Schwab for its Prime Brokerage Services or its Trade Away Services. (c) Custody fees for Non-Standard Assets (for purposes of this Addendum, "Non-Standard Assets" shall include, but are not limited to, Non-publicly traded limited partnership interests, foreign securities and non-marketable securities). (d) Securities and Exchange Commission and exchange fees, transfer taxes, odd lot differentials, mutual fund short term redemption fees, margin interest, electronic funds or wire transfer fees, and any other similar costs or charges. You will be responsible for any such costs and charges. <p>2. Appropriateness of ABP for Your Accounts</p> <p>ABP is not appropriate for every brokerage account, and it may not be appropriate for one or more of your Accounts. Before selecting ABP for an Account, you, in consultation with your Advisors, must consider your particular circumstances and any other relevant factors and determine that ABP is appropriate for that Account.</p> <p>You acknowledge and agree that:</p> <ul style="list-style-type: none"> (a) The appropriateness of ABP for any one of your Accounts may depend on a number of factors including, among other things, your investment objectives and financial situation, your Advisors' investment strategies, and your Advisors' trading patterns, including the frequency of trading and the number and size of the transactions that your Advisors order for your Accounts. You should note that if the number of transactions in your ABP Account is low enough in any given Billing Period (as defined below), the ABP Service Fee you pay Schwab may exceed the commissions that would otherwise be charged for transactions effected in that Billing Period. (b) Because you will pay Schwab's ABP Service Fee in addition to any commissions and/or other charges paid to broker-dealers other than Schwab who execute transactions for your ABP Accounts, Advisors may have an incentive to execute most transactions for your ABP Accounts through Schwab. This incentive could, in some circumstances, conflict with the Advisors' duties to obtain best execution of transactions for your ABP Accounts.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Item of Form (identify)	Answer
12.A.1, 12.A.4, 12.B Continued	<p>(c) Schwab will not determine that ABP is appropriate for your Accounts. Schwab will not monitor fixture trading activity in your Accounts to determine whether ABP is or remains appropriate. Schwab is not responsible for that determination or monitoring. Rather, that determination, and any monitoring, is solely your and your Advisors' responsibility.</p> <p>(d) Schwab is not acting as an investment advisor with respect to your Accounts. and ABP Service Fees are not charged for any investment advice.</p> <p>3. Chargeable Assets The ABP Service Fee is based on the "Chargeable Assets" in each of your ABP Accounts. Chargeable Assets include all assets in each of your ABP Accounts on a posting date basis, except the following:</p> <ul style="list-style-type: none"> (a) Schwab proprietary mutual funds; (b) securities purchased for your ABP Accounts in transactions in which Schwab acts as a principal; (c) bank certificates of deposit; (d) third-party mutual funds for which Schwab generally does not charge transaction fees (such as funds available through Schwab's Mutual Fund OneSource); (e) mutual funds which are sold with a "load" or built-in sales charge; (f) Non-Standard Assets; and (g) cash. <p>Please note that the exclusion from Chargeable Assets in paragraph (b) of this Section does not include any of the following: (i) securities purchased in transactions in which Schwab, as agent, routes the order to an affiliate who acts as principal in executing the trade and (ii) securities journaled (or received) into the ABP Account from another account in which the securities were purchased in a transaction in which Schwab or another broker-dealer acted as principal. The securities described in the preceding sentence will be Chargeable Assets. The posting date is the date the assets are posted to your Account on Schwab's records. The posting date may be different than the trade or settlement date. Cancellations of trades that resulted in the addition of Chargeable Assets to an ABP Account will not result in the amount of Chargeable Assets being retroactively reduced for the time period from the date the original purchase was posted to your ABP Account to the date the purchase is cancelled. Sale transactions will first reduce the amount of Chargeable Assets in the ABP Account if there are shares or units of the same security held in the ABP Account as Chargeable and non-Chargeable Assets.</p> <p>4. ABP Service Fee Calculation and Payment The ABP Service Fee is determined by applying an Annual Percentage Rate to the total amounts of Chargeable Assets in your ABP Accounts or by applying a series of Annual Percentage Rates (each rate in the series is a "Tier Annual Rate") to corresponding ranges of the amounts of Chargeable Assets ("Tier Chargeable Assets") in your ABP Accounts, each as set forth in the Asset-based Pricing Fee Schedule at the beginning of this Addendum ("ABP Schedule"). The ABP Schedule may include two or more "ABP Tables," each of which states different Annual Percentage Rates or different Tier Annual Rates and Tier Chargeable Assets. Schwab's ABP Service Fees may be calculated on a different basis than any asset-based fees you are charged by your Advisors. The ABP Service Fee will be computed for each of your ABP Accounts for each monthly Billing Period and charged in arrears on a monthly or quarterly basis. A "Billing Period" begins on the 23rd day of each calendar month and runs through the 22nd day of the following month. Schwab will calculate the ABP Service Fee and charge it to each of your ABP Accounts after the last day of the Billing Period and before the first day of the following calendar</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer
12.A.1, 12.A.2, 12.A.4, 12.B Continued	<p>month. For each day of the Billing Period, the value of Chargeable Assets in each of your ABP Accounts will be determined in accordance with Section 5 of this Addendum. Schwab will calculate the ABP Service Fee for each day of the Billing Period by multiplying the total amount of Chargeable Assets by the applicable Annual Percentage Rate or by multiplying the amount of Tier Chargeable Assets for each Tier by the corresponding Tier Annual Rate and adding the resulting amounts for each of the applicable Tiers. The ABP Service Fee for the Billing Period will be the sum of the foregoing amounts for all days in the Billing Period divided by 365 (or, in the case of a leap year, 366), unless such sum is less than the monthly equivalent of the applicable Minimum Annual ABP Service Fee, if any, specified in the ABP Schedule. Calculations of ABP Service Fees are rounded to the nearest penny. "Tiers," "Tier Chargeable Assets" and "Tier Annual Rate," if applicable, are specified in the ABP Schedule. If the ABP Schedule or ABP Table applicable to an ABP Account changes during a Billing Period (for example, in the case where you change the SAM designated to manage your ABP Account), the Minimum Annual ABP Service Fee, if any, applied for the entire Billing Period will be the lowest of the Minimum Annual ABP Service Fees from the ABP Schedules or ABP Tables that applied to your Account during the Billing Period. ABP Service Fees will appear on Schwab's statements of your ABP Accounts, under the "Transaction" and "Description" columns as "Service Fee" and ABP Fee," respectively. You authorize Schwab to sell any Schwab proprietary money market mutual fund shares you may hold in your Accounts, and to take any other actions provided for in the Account Agreement, to the extent necessary to pay your ABP Service Fees. This authorization will remain in effect until termination of the Account Agreement.</p> <p>5. Valuing ABP Account Assets For the purpose of calculating your ABP Service Fee, Schwab will compute the value of the Chargeable Assets in each of your ABP Accounts on each day of the Billing Period in a manner determined in good faith by Schwab in its sole discretion to reflect market value. Schwab may use prices obtained from third party vendors. While Schwab believes these sources to be reliable, Schwab's valuation of Chargeable Assets for purposes of this Addendum should not be considered a guarantee of any kind whatsoever of the value of any assets in your ABP Accounts. The actual prices at which securities may be bought and sold may be different from those used for purposes of this Addendum.</p> <p>6. Separate Accounts Provisions <i>The following additional provisions of this Addendum apply <u>only</u> to ASP Accounts opened pursuant to a Schwab Institutional Separate Accounts Brokerage Account Application.</i> The applicable ABP Table for each of your applicable SAM Accounts is the ABP Table corresponding to the Asset-based Pricing Schedule Name for that SAM Account as shown (i) in the SAM Designation Section of your Application, or (ii) if you change the SAM Product for a SAM Account, on your "Termination/ Change Form" or (iii) if you add a new SAM Account on your "Addition of SAM" form delivered to Schwab. If you designated an existing ABP Account as your Funding Account, then ABP Service Fees for your Funding Account will be determined as provided in the existing ABP terms and conditions applicable to that Account. ABP Service Fees do not pay for, among other things, Schwab's commissions and/or fees for your Funding Account, provided that your Funding Account is not an ABP Account.</p> <p>7. Amendment As part of your Account Agreement, this Addendum and/or the ABP Schedule or ABP Tables may be amended by Schwab by giving you notice as provided in your Account Agreement, as it may be amended from time to time.</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer																																																																
12.A.1, 12.A.2, 12.A.4, 12.B Continued	<p>Details applicable specifically to Schwab’s Transaction Based Pricing is as follows:</p> <p><u>Commission Schedule</u></p> <table><tr><td>Equities</td><td>0 – 4,999</td><td>\$0.08/share</td><td>(\$30 min)</td></tr><tr><td></td><td>5,000 – 9,999</td><td>\$0.06/share</td><td>(\$30 min)</td></tr><tr><td></td><td>10,000+</td><td>\$0.06/share</td><td>(\$30 min)</td></tr><tr><td>Options</td><td>\$4.00/contract</td><td></td><td>(\$25 min)</td></tr><tr><td>Bonds</td><td>\$3.00/bond</td><td></td><td>(\$39 min)</td></tr><tr><td>Mutual</td><td>\$0-\$25,000</td><td>\$25 per trade</td><td></td></tr><tr><td>Funds</td><td>\$25,001 - \$40,000</td><td>0.20% principal</td><td>(\$50 min, \$99 max)</td></tr><tr><td></td><td>\$40,000+</td><td>0.10% principal</td><td>(\$50 min, \$99 max)</td></tr></table> <p><u>Electronic Equity Pricing</u> - \$29.95 for first 1,000 shares, \$0.03/share for trades above 1,000</p> <p>Details applicable specifically to TD Ameritrade’s Transaction Based Pricing is as follows:</p> <p>A.</p> <p>Commission and Fee Schedule</p> <p>Stock Commissions</p> <table><tr><td>Broker Assisted Trading</td><td>▪ 1 cent a share with a \$45 minimum</td></tr><tr><td>Online Trading (Veo)</td><td>▪ Orders of 2500 shares or less will be charged \$15 for market orders. \$18 for limit and stop orders. ▪ Over 2500 shares will be charged 1 cent per share accessed on the entire order for both market orders and limit orders. Therefore, a Veo trade of 5001 shares will be charged \$50.01.</td></tr></table> <p>1. Options Commissions</p> <p>One Contract</p> <table><tr><td>▪ Under \$100 principle</td><td>▪ \$30 + \$1.25 per contract</td></tr><tr><td>▪ \$100 through \$2499</td><td>▪ 1.3% + \$12</td></tr><tr><td>▪ \$2500 through \$4777</td><td>▪ 0.9% + \$22</td></tr><tr><td>▪ \$4778 through \$30,000</td><td>▪ \$65</td></tr><tr><td>▪ \$30,001 and above</td><td>▪ \$30 + \$1.25 per contract</td></tr></table> <p>Two or More Contracts</p> <table><tr><td>▪ Under \$100 principle</td><td>▪ \$30 + \$1.25 per contract</td></tr><tr><td>▪ \$100 through \$2499</td><td>▪ 1.3% + \$12</td></tr><tr><td>▪ \$2500 through \$19,999</td><td>▪ 0.9% + \$22</td></tr><tr><td>▪ \$20,000 through \$30,000</td><td>▪ 0.6% + \$82</td></tr><tr><td>▪ \$30,001 and above</td><td>▪ 0.4% + \$142</td></tr></table> <p>2. Mutual Funds</p> <table><tr><td>▪ No Fee Network Funds (NTF)</td><td>▪ \$0</td></tr><tr><td>▪ No load/ Non NTF</td><td>▪ \$24 flat rate (Online); \$45 Flat (Call-in)</td></tr></table> <p>3. Fixed Income trades</p> <p>Agency Fees</p> <table><tr><td>▪ Treasury auctions</td><td>\$50 fee per trade per account</td></tr><tr><td>▪ Minimum Fee</td><td>\$35 minimum applies to most trades</td></tr></table>	Equities	0 – 4,999	\$0.08/share	(\$30 min)		5,000 – 9,999	\$0.06/share	(\$30 min)		10,000+	\$0.06/share	(\$30 min)	Options	\$4.00/contract		(\$25 min)	Bonds	\$3.00/bond		(\$39 min)	Mutual	\$0-\$25,000	\$25 per trade		Funds	\$25,001 - \$40,000	0.20% principal	(\$50 min, \$99 max)		\$40,000+	0.10% principal	(\$50 min, \$99 max)	Broker Assisted Trading	▪ 1 cent a share with a \$45 minimum	Online Trading (Veo)	▪ Orders of 2500 shares or less will be charged \$15 for market orders. \$18 for limit and stop orders. ▪ Over 2500 shares will be charged 1 cent per share accessed on the entire order for both market orders and limit orders. Therefore, a Veo trade of 5001 shares will be charged \$50.01.	▪ Under \$100 principle	▪ \$30 + \$1.25 per contract	▪ \$100 through \$2499	▪ 1.3% + \$12	▪ \$2500 through \$4777	▪ 0.9% + \$22	▪ \$4778 through \$30,000	▪ \$65	▪ \$30,001 and above	▪ \$30 + \$1.25 per contract	▪ Under \$100 principle	▪ \$30 + \$1.25 per contract	▪ \$100 through \$2499	▪ 1.3% + \$12	▪ \$2500 through \$19,999	▪ 0.9% + \$22	▪ \$20,000 through \$30,000	▪ 0.6% + \$82	▪ \$30,001 and above	▪ 0.4% + \$142	▪ No Fee Network Funds (NTF)	▪ \$0	▪ No load/ Non NTF	▪ \$24 flat rate (Online); \$45 Flat (Call-in)	▪ Treasury auctions	\$50 fee per trade per account	▪ Minimum Fee	\$35 minimum applies to most trades
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Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer								
12.A.1, 12.A.2, 12.A.4, 12.B Continued	<p>Principal Trades</p> <ul style="list-style-type: none"> Minimum Fee \$35 minimum applies to most trades <p>W.E. Donoghue & Company, Inc. participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independently registered investment advisors services which include custody of securities, trade execution and clearance and settlement of transactions. W.E. Donoghue & Company, Inc. receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under item 13.A below)</p> <p>Details applicable specifically to Fidelity's Pricing Schedule is as follows:</p> <p>The fee schedule covering all of W.E. Donoghue & Co., Inc. clients is largely dependent on the level of trading activity and assets that W.E. Donoghue & Co., Inc. brings to Fidelity. Fidelity has made the following assumptions about W.E. Donoghue & Co., Inc.'s activity and used this information as the basis for their pricing schedule:</p> <ul style="list-style-type: none"> Approximately \$50 million will be held at Fidelity within a 6 month period of time and as much as \$75 million in a 12 month period. Approximately 250 client accounts will be opened in the first 6 months Investing will include Fidelity mutual funds. Turnover in the portfolio will be relatively moderate. <p>Should activity vary from the above mentioned levels, Fidelity and W.E. Donoghue & Co., Inc. have the right to review and re-negotiate the fee schedule in six months and quarterly thereafter.</p> <p>EQUITIES</p> <p>Electronic: \$24.95 to 1000 shares+\$.03/share over 1000</p> <p>Manual:</p> <table> <tr> <td>Commission per share</td><td>\$.12</td></tr> <tr> <td>Minimum commission</td><td>\$30.00</td></tr> </table> <p>OPTIONS</p> <table> <tr> <td>Commission per contract</td><td>\$4.00</td></tr> <tr> <td>Minimum block trade commission</td><td>\$40.00</td></tr> </table> <p>Allocated trades subject to 10 contract minimum.</p> <p>FIXED INCOME</p> <p>Principle business</p> <ul style="list-style-type: none"> Municipal bonds auction \$2.50/\$40 minimum Government notes & bonds as quoted on a GMNAs and CMOs competitive basis <p>Government T-Bills \$50.00 Flat Fee</p> <p>Government order of 20 bonds or less \$50.00</p> <p>Government auctions orders,</p> <ul style="list-style-type: none"> Not out of Fidelity Inventory \$50.00 Out of Fidelity Inventory \$50.00 for 20 bonds or less. No fee>20 	Commission per share	\$.12	Minimum commission	\$30.00	Commission per contract	\$4.00	Minimum block trade commission	\$40.00
Commission per share	\$.12								
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Commission per contract	\$4.00								
Minimum block trade commission	\$40.00								

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer																																		
	<p>bonds</p> <p>Agent business</p> <ul style="list-style-type: none"> - Corporate bonds <ul style="list-style-type: none"> o Commission per bond \$3.00 o Minimum block commission \$40.00 <p>All fixed income allocations of less than 10 bonds subject to allocation fee of \$25.00.</p> <p>MUTUAL FUNDS</p> <table> <tr> <td>Fidelity NTF* No-Load Funds</td><td>No transaction fee</td></tr> <tr> <td>Fidelity Low-Load Funds</td><td>No transaction fee</td></tr> <tr> <td>Non-Fidelity NTF* No-Load Funds</td><td>No transaction fee</td></tr> </table> <p>Non Fidelity Mutual Funds Individual trade size** Commission(percent of principle)</p> <table> <tr> <td><\$5,000</td><td>\$11.50+0.500% (min. \$29.00)</td></tr> <tr> <td>\$5,001 to \$10,000</td><td>\$19.00+0.260%</td></tr> <tr> <td>\$10,001 to \$25,000</td><td>\$25.00+0.130%</td></tr> <tr> <td>\$25,001 to \$95,000</td><td>\$44.00+0.065%</td></tr> <tr> <td>>\$95,001</td><td>\$100.00+0.05%</td></tr> </table> <p>* No transaction fee (NTF) program includes nearly 200 no-load funds including 70 Fidelity No-Load funds.</p> <p>** No block trading of mutual funds</p> <p>OTHER FEES</p> <table> <tr> <td>Wire fee</td><td>\$15.00</td></tr> <tr> <td>Away-trade fee</td><td>\$20.00</td></tr> <tr> <td>Foreign-security transfer fee</td><td>\$100.00</td></tr> </table> <p>ADDITIONAL SERVICES PROVIDED AT NO CHARGE</p> <table> <tr> <td>IRA accounts</td><td>No charge</td></tr> <tr> <td>Custodial fees</td><td>No charge</td></tr> <tr> <td>Dividend postings</td><td>No charge</td></tr> <tr> <td>Advisor Channel</td><td>No charge</td></tr> <tr> <td>Advisor Echo</td><td>No charge</td></tr> <tr> <td>Investors Liquidity Network</td><td>No charge</td></tr> </table> <p>Details applicable specifically to FOLIO^{fn} and the clients of W.E. Donoghue & Co., Inc. is as follows:</p> <p>Under Pricing Plan A, each client Membership shall include five FOLIOs with unlimited trading in FOLIO^{fn}'s window tradable universe. Each additional FOLIO shall cost \$75.00 annually. A minimum Membership Fee of \$345.00 annually shall apply to each client membership. A \$50.00 discount shall be provided if the client and advisor agree to receive all correspondence electronically, including monthly and quarterly statements, trade confirmations, corporate actions, proxies and similar documentation. Any prepaid minimum Membership Fee shall be credited to the Asset -based Membership Fee, described below.</p> <p>FOLIO^{fn} will retain the following Asset-based Membership Fees.</p>	Fidelity NTF* No-Load Funds	No transaction fee	Fidelity Low-Load Funds	No transaction fee	Non-Fidelity NTF* No-Load Funds	No transaction fee	<\$5,000	\$11.50+0.500% (min. \$29.00)	\$5,001 to \$10,000	\$19.00+0.260%	\$10,001 to \$25,000	\$25.00+0.130%	\$25,001 to \$95,000	\$44.00+0.065%	>\$95,001	\$100.00+0.05%	Wire fee	\$15.00	Away-trade fee	\$20.00	Foreign-security transfer fee	\$100.00	IRA accounts	No charge	Custodial fees	No charge	Dividend postings	No charge	Advisor Channel	No charge	Advisor Echo	No charge	Investors Liquidity Network	No charge
Fidelity NTF* No-Load Funds	No transaction fee																																		
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Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
W. E. Donoghue & Co., Inc.	801- 27959	3/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated	IRS Empl. Ident. No.: 04-2927644
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Item of Form (identify)	Answer												
12.A.1, 12.A.2, 12.A.4, 12.B Continued	<table><tr><th>Annual Fee as % of Assets</th><th>On Assets (per Membership) Above:</th><th>Up to Assets (per Membership) of:</th></tr><tr><td>0.30%</td><td>\$0</td><td>\$200,000</td></tr><tr><td>0.20%</td><td>\$200,001</td><td>\$500,000</td></tr><tr><td>0.15%</td><td>\$500,001</td><td>Unlimited</td></tr></table> <p>Direct trades executed outside of FOLIO's window trades shall cost \$6.95 per trade.</p>	Annual Fee as % of Assets	On Assets (per Membership) Above:	Up to Assets (per Membership) of:	0.30%	\$0	\$200,000	0.20%	\$200,001	\$500,000	0.15%	\$500,001	Unlimited
Annual Fee as % of Assets	On Assets (per Membership) Above:	Up to Assets (per Membership) of:											
0.30%	\$0	\$200,000											
0.20%	\$200,001	\$500,000											
0.15%	\$500,001	Unlimited											
13.A, 13.B	<p><u>Additional Compensation:</u></p> <p>Jeffrey R. Thompson and William B. Dowler are Registered Representative Agents of SummitAlliance Securities, LLC in Dallas, TX a FINRA registered Broker-dealer. On occasion, they may effect transactions on behalf of clients of W.E. Donoghue & Co., Inc with respect to the purchase of investment products. The registered representative affecting the sale of an investment product may receive a commission for the sale of such product. Commission payments are made directly to the individual registered representative who effected the transaction. Prior to affecting a sale of a investment product, disclosure will be provided to the client that the registered representative will receive a commission. No compensation is paid to W.E. Donoghue & Co., Inc. with respect to such transactions.</p> <p>As disclosed under Item 12.B. above, W. E Donoghue & Co., Inc. participates in TD Ameritrade's Institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between W. E. Donoghue & Co., Inc.'s participation in the program and the investment advice it gives to clients, although the firm receives economic benefit through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount); receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the firm's related persons (and may also pay or reimburse expenses including travel, lodging, meals and entertainment expenses for the firm's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's advisor custody and brokerage services generally.) Some of the products and services made available by TD Ameritrade through the program may benefit the firm but may not benefit its client accounts. These products or services may assist the firm in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the firm manage and further develop its business enterprise. The benefits received by the firm, or its personnel, through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that</p>												

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: W. E. Donoghue & Co., Inc.	SEC File Number: 801- 27959	Date: 3/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: W. E. Donoghue & Co., Incorporated		IRS Empl. Ident. No.: 04-2927644
Item of Form (identify)	Answer	
13.A, 13.B Continued	<p>the receipt of economic benefits by the firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the firm's recommendation of TD Ameritrade for custody and brokerage services.</p> <p>W. E. Donoghue & Co., Inc. also receives from TD Ameritrade certain additional benefits "additional services" that may not be offered to any other independent investment advisors participating in the program. (The firm may make these additional services available to its affiliates without cost.) Specifically, the additional services include the Advent and Orion Services products which provides certain portfolio management and performance and tax reporting capability and which encompasses research, sales, diagnostic, reporting and portfolio tools. The amount of which may exceed ten thousand dollars. TD Ameritrade provides the additional services to the firm in its sole discretion and at its own expense, and the firm does not pay any fees to TD Ameritrade for the additional services. W. E. Donoghue & Co., Inc. and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of additional services.</p> <p>W. E. Donoghue & Co., Inc.'s receipt of additional services raises potential conflicts of interest. In providing additional services to the firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, the firm's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with the firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the additional services from TD Ameritrade, the firm may have an incentive to recommend to its clients that the assets under management by the firm be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. W. E. Donoghue & Co., Inc.'s receipt of additional services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).