

PRESS RELEASE FOR IMMEDIATE RELEASE

JANUARY 3, 2018

W.E. DONOGHUE & CO. ACQUIRES JAFORLINES GLOBAL

W.E. Donoghue today announced the acquisition of JAForlines Global, an investment management company specializing in risk-managed global tactical strategies.

BOSTON, Mass., January 3, 2018 – W.E. Donoghue & Co., LLC (“W.E. Donoghue”), an investment firm specializing in defensive tactical strategies, today announced the definitive agreement to acquire JAForlines Global, LLC (“JFG”), an investment management company specializing in risk-managed global tactical strategies. The transaction, which occurred on December 29, 2017, added over \$700 million to W.E. Donoghue’s assets under management or under advisement bringing the combined total to approximately \$3.3 billion in mutual fund and separately managed accounts. The transaction was supported by Minella Capital Management, LLC a majority owner of W.E. Donoghue.

As part of the acquisition plan, John Forlines III and Robert Shea from JFG will join W.E. Donoghue’s executive team. Mr. Forlines will become W.E. Donoghue’s Chief Investment Officer, and Mr. Shea will be appointed as President of W.E. Donoghue. Both Mr. Forlines and Mr. Shea will also be added as members of the Investment Committee. Jeffrey Thompson will continue as CEO for the firm and as a member of the Investment Committee.

“We are very excited to have JAForlines join our team. We strongly believe that risk needs to be actively managed within investment strategies, and JFG’s tactical global solutions fit both strategically and philosophically with ours,” said Mr. Thompson, CEO of W.E. Donoghue.

JFG’s investment process uses fundamental research to develop a top-down macro view with a global orientation. Their suite of Global Tactical Portfolios provides exposure to all three major asset classes—global equities, fixed income, and alternatives—in a single portfolio using low-cost ETFs. Their focus is on reducing portfolio risk and volatility while striving to produce strong returns.

“We believe that the traditional buy-and-hold strategy doesn’t best serve clients when it comes to managing portfolio risk. We were very selective in our conversations while searching for a long-term partner. W.E. Donoghue is a great match, and they have a very strong distribution team that will bolster how we get our narrative out to financial advisors,” said Mr. Forlines. “We are confident that we joined the right firm and are excited about our future together.”

The JFG team will work closely with members of W.E. Donoghue to capitalize on the exciting momentum the JFG team has enjoyed as Envestnet’s 2016 Strategist of the Year. All four of JFG’s SMA portfolios are included in Envestnet PMC’s highly exclusive Strategist Select List, which represents Envestnet’s “best ideas” solutions.

“While the active investment management category has seen net outflows this year, we’ve seen a growing demand from advisors for strategies that include tactical defensive components,” added Mr. Thompson. “With the team from JAForlines, we are going to redefine tactical investment management to become a core asset class in everyone’s portfolio.”

[Silver Lane Advisors LLC](#) introduced JFG to W.E. Donoghue, [Finn Dixon & Herling LLP](#) acted as legal counsel to W.E. Donoghue, and [Reed Smith LLP](#) acted as legal counsel for JFG.

About W.E. Donoghue & Co., LLC

W.E. Donoghue & Co., LLC is a boutique investment firm that has specialized in risk managed portfolios since 1986. As of November 30, 2017, W.E. Donoghue had over \$2.6 billion in assets under management or under advisement in mutual fund and separately managed accounts, serving the needs of advisors and their clients.

Their tactical strategies are based upon rigorous analysis of decades of historical data. W.E. Donoghue specializes in utilizing technical indicators to recognize shifts in market momentum, and they have designed investment strategies to take advantage of the unemotional power of math. W.E. Donoghue leverages proprietary tactical signals within custom indices, calculated by [S&P Dow Jones Indices](#), to help preserve capital in down trending markets and offer a stronger client-centric risk-adjusted return stream over a full market cycle. For more information about W.E. Donoghue, please visit the company’s website at www.donoghue.com.

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About JAForlines Global

JAForlines Global (JFG) is a New York-based investment management company specializing in Tactical Global strategies using fundamental research with a top-down macro global orientation. JFG’s portfolios are designed to lower volatility while striving to produce long-term capital appreciation. As of November 30, 2017, JFG had over \$700 million in assets under management or under advisement. For more information about JFG, please visit the company’s website at www.jaforlines.com.

Information Regarding Envestnet Award

JFG was awarded the 2016 SMA Manager of the Year for the Strategist category. To qualify for an SMA Manager and Strategist of the Year Award, a manager’s team is required to have at least three years of experience running a strategy with \$200 million or more in assets. In addition, a manager’s product must be reported through Envestnet | PMC’s Premium Research solutions, which are leading sources of investment-manager due diligence and research for advisors.

Award winners and finalists were selected based on Envestnet | PMC’s proprietary, systematic, and multi-factor methodology for evaluating managers. A variety of qualitative and quantitative criteria, such as firm profile, investment process and style, performance, tax efficiency, and customer service, are taken into consideration under this framework. For more information, please visit: www.envestnet.com/press/2016-sma-managers-strategists-year-honored-envestnet-advisor-summit

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