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A New Vanguard International ETF

On January 28, Vanguard opened the newest addition in its international ETF stable, Total International ETF, which is a share class of the open-end Total International Index fund. The ETF shares give investors a less expensive way to get into Total International (the ETF shares charge 0.20% in expenses compared to the investor shares' 0.32%) and also don't charge the 2% back-end load for shares held less than two months that the mutual fund does.

- A New Vanguard International ETF
- Fidelity Manager Changes

Cost advantage aside, we don't view Total International ETF as a great investment right now--it's an effective means to track the entire international market, but we prefer our overseas forays to be more focused, and overseen by some of the best managers in the business, like William Bower at Fidelity's Diversified International or the trio of Baillie Gifford, Schroder Investment Management and M&G Capital Management at Vanguard's International Growth, to name a couple. For investors solely interested in ETFs, we'd recommend Vanguard's World ex-U.S. SmallCap ETF over Total International ETF, as the fund's small-cap focus shows promise as the recovery moves ahead.

Fidelity Manager Changes

On the last day of January and the first of February, Fidelity affected a couple of manager changes, both of which could bode well for the funds concerned.

On January 31, John D. Roth replaced Shep Perkins as manager of Mid-Cap Stock. Roth joined Fidelity in 1999 as an equity research analyst covering electric and gas utility companies (he'd previously interned for the firm). He got his start managing funds at Select Utilities Growth, going on to manage Select Chemicals, Select Multimedia and Select Consumer Industries (as well as the VIP and Advisor versions), and served as consumer sector leader until 2006. He began managing New Millennium in 2006 (and will continue to manage it going forward). In 2007, Roth was added to Fidelity's Multi-Manager Group and began managing the consumer discretionary sub-portfolio of VIP Contrafund, later being assigned similar responsibilities at Balanced, Advisor Balanced and Series All-Sector. Prior to joining Fidelity, Roth worked as an equity trader with Tucker Anthony in Boston.

This change could bring an improvement to Mid-Cap Stock's lot, according to Jim Lowell's (our Chief Investment Strategist) proprietary manager ranking system. At the end of 2010, Roth ranked 13th out of 29 Growth and Growth & Income managers for his work on New Millennium, while Perkins was ranked 26th. Roth's experience and track record should serve Mid-Cap Stock's investors well.

Fidelity's New Manager Appointments

Manager	Funds Currently Managing	Funds Previously Managed
John D. Roth	<i>Mid-Cap Stock, New Millenium:</i> As part of Multi-Manager Group: Balanced, Advisor Balanced, Series All-Sector, VIP <i>Contrafund</i>	Select Chemicals, Select Consumer Discretionary, Advisor Consumer Discretionary, VIP Consumer Discretionary, Select Multimedia, Select Utilities
Matthew W. <i>Fruhan</i>	<i>Growth & Income, Advisor Growth & Income, VIP Growth & Income, Large Cap Stock, Advisor Large Cap Stock, Mega Cap Stock, Advisor Mega Cap Stock</i>	Select Air Transportation, Select Consumer Staples, Select Defense and Aerospace, Select Financial Services, Advisor Financial Services, VIP Financial Services, Select Industrials, Advisor Industrials, VIP Industrials

Note: *Italics* indicates the new assignments.

On February 1, Fidelity appointed Matthew W. Fruhan manager of Growth & Income and its Adviser and VIP clones, replacing James F. Catudal. Fruhan will continue to manage Large Cap Stock, Advisor Large Cap and Mega Cap Stock. He's been with Fidelity since 1995, starting out with the high-yield research group, where he researched the automotive supply, specialty retail and transportation industries, before moving on to the equity division, where he followed the food and supermarket industries. He began managing funds for Fidelity in 1999, starting with Select Food and Agriculture, going on to manage Select Air Transportation, Select Defense and Aerospace, Select Cyclical Industries (as well as the Adviser and VIP clones), Financial Services (Adviser and VIP too), and has been managing Large Cap Stock and Mega Cap Stock since 2005 and 2009, respectively. He also served as head of the cyclical industries sector leader for a couple of years.

As with Mid-Cap Stock, this change sees a higher-ranked manager replace a lower-ranked one--according to Jim Lowell's manager ranking system, Fruhan ranked 3rd out of 29 Growth and Growth & Income managers in 2010 for his work on Large Cap Stock and Mega Cap Stock, while Catudal was a cellar-dweller, down at 28th. Fruhan was also ranked the "manager of the decade" by Lowell's analysis of the 10 years through 2010, leaving Growth & Income in good hands going forward.

About Adviser Investments

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