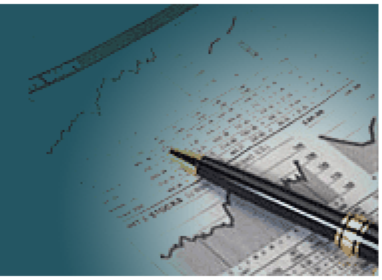
ADVISER INVESTMENT MANAGEMENT

ADVISER FUND UPDATE

Market Summary and Commentary for Individual Investors from Adviser Investment Management



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October 19, 2007

Tech Heat Wave

The baseball playoffs are in full swing, basement boilers are firing up nightly and the days are growing shorter and colder. At Adviser Investment Management, we've developed investment strategies to see our clients through all seasons, but at this time of year we do take note of an annual trend we call *Tech Winter.*

We are just a couple of weeks away from *Tech Winter,* which takes its name from the four-month period of cold weather outperformance we've observed in tech stocks over the past 22 years, annually stretching from November through February.

While it may seem strange that tech stocks follow a seasonal pattern, there are actually a number of factors we believe lead to their four-month historical outperformance year after year.

The first has to do with fourth quarter spending by corporations. Many information technology managers will have held back in depleting their budgets in case of an emergency or to spend on some new tech innovation or product that allows the company to stay competitive. Because of the likelihood that budgets will be cut from year to year if they aren't fully spent, managers feel increased pressure to empty their accounts towards the end of the year. This sales surge is duly noted and the tech stocks that benefit from this spending rise on expectations of higher earnings.

A second contributor is Europe. European purchasers account for about a third of U.S. technology orders, and during the fourth quarter they do a significant amount of buying. The reason for increased spending in these final months? It's those lengthy European summer vacations-orders drop during the summer as workers go on holiday. When vacations end, orders start rising in the fall and through the winter, often hitting a peak in the last few months of the year.

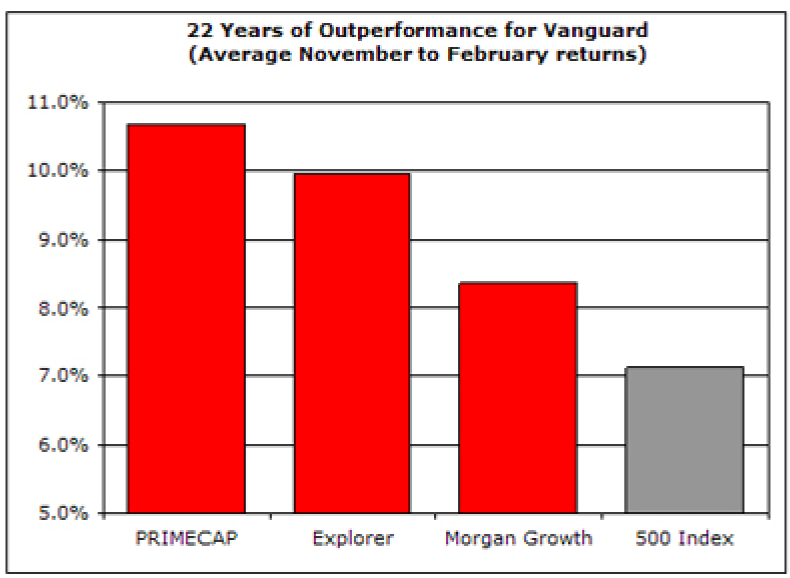
A final catalyst for *Tech Winter* may be the bargains hardware companies create to sell off existing inventories as they begin readying for new product launches. This affords corporate purchasers an opportunity to acquire the cheap, well-tested products still sitting on manufacturers' shelves.

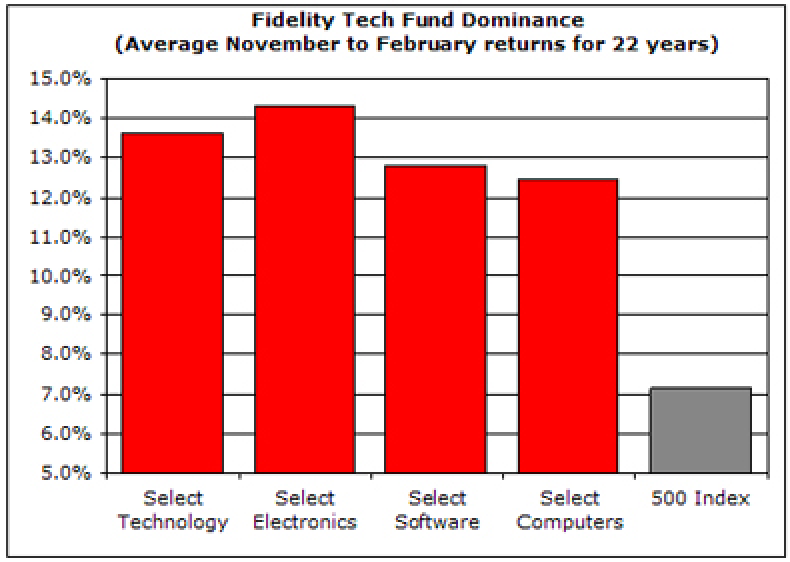
Tech Winter comes to a close as technology companies rebuild their inventories at the start of the new year and a new buying cycle begins. When this happens, tech stocks don't necessarily return less, but they do become less predictable in their behavior, not following the historical pattern typically seen between November and February.

Staying Warm in *Tech Winter*

We do not suggest making dramatic changes to your portfolio just in an attempt to benefit from *Tech Winter*. While the evidence overwhelmingly shows that the trend exists (see the charts showing average performance for tech-heavy Fidelity and Vanguard funds from November to February below), year-to-year results can swing unpredictably, and not all funds with heavy tech weightings are worthy of your investment. That said, we think one should have at least a market weighting in tech stocks through the four months of *Tech Winter.*

As always we recommend sticking with a disciplined long-term investment strategy and funds that can provide you with outperformance throughout all market cycles. Our clients have benefited in the past from positions in tech-heavy funds like Vanguard's Capital Opportunity and Growth Index as well as Fidelity's Contrafund, Emerging Markets, Growth Discovery and Value Discovery. To the extent the *Tech Winter* trend repeats itself over the next four months, funds like these should perform favorably.





Fidelity Recalibrates Global Balanced

The U.S. portion of Fidelity's Global Balanced fund has a new manager in Stephen M. DuFour, who replaced Jeffrey S. Feingold on October 11th. Feingold will retain his responsibilities for Trend, Advisor Strategic Growth and VIP Growth Stock Portfolio, while DuFour will continue managing Focused Stock and Worldwide. DuFour is a 15 year Fidelity veteran, having joined the firm in 1992 and followed the normal management refining process Fidelity has used successfully for years. He got his first chance managing funds in 1993, with Select Multimedia, moving on to Select Transportation, Advisor Natural Resources, Select Energy and Convertible Securities over the next 5 years. He has also managed Balanced, and more recently, managed Equity Income II, Advisor Equity Value and VIP Value through 2006.

If you own Global Balanced, we see no reason to make any changes due to DuFour's addition. But while Global Balanced is a decent lower-risk global play, we prefer some of Fidelity's other international funds to it, such as Diversified International, International Small Cap Opportunities, and International Discovery, or even DuFour's other global fund, Worldwide.

About Adviser Investment Management, Inc.

Adviser Investment Management, Inc. is an independent, professional money management firm specializing in Fidelity and Vanguard mutual funds. With 1,400 clients and $1 billion dollars under management, Adviser is one of the nation's largest mutual fund research and money management firms. Our staff of 27 investment professionals focuses on helping individual investors, trusts, foundations, and institutions meet their investment goals. Our minimum account size is $350,000.

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