



## ADVISER FUND UPDATE

Market Summary and Commentary for Individual Investors from Adviser Investments



October 24, 2014

### One of the Most Powerful Women on Wall Street Takes Fidelity's Helm

In a move we anticipated, Fidelity has named Abigail Johnson as its CEO. Her father, Ned Johnson, will remain Fidelity's chairman.

We view this change as essentially positive.

"While it has certainly been well-known in advance that this was going to happen, the fact that it finally did is powerful for employees and investors," Adviser Investments Chief Investment Officer Jim Lowell told the *Wall Street Journal*. "Abigail is someone who clearly knows what's going on in every division of the company. She knows that place inside and out."

The 52-year-old Abigail Johnson started at Fidelity as an equity research analyst at age 27 and was seen her father's most likely successor by the time she was named president of the asset management division in 2001. She was named president of Fidelity Financial Services in 2012, and her ascension to the top post was considered an inevitability at that point (you can read our coverage of Johnson's last promotion by [clicking here](#)).

Johnson—whom Lowell described as "exceptionally competent" in *USA Today*—has been lauded by board members for her attention to new technology and innovative products.

The memo to shareholders revealing Johnson's new role also outlined some changes to Fidelity's board. Chairman Ned Johnson announced the retirement of Bill Byrnes, a director for more than 40 years, and the addition of Gerry McGraw, president of Fidelity's institutional business, and Mike Wilens, president of enterprise services, to the board.

Ned Johnson became chief executive in 1977—when Fidelity oversaw \$4.8 billion in assets—by taking over for his father and firm founder, Edward Johnson II. Through June 2014, the company had \$4.9 trillion in assets under administration, a figure that includes money it oversees as a custodian for retirement plans and independent financial advisers.

As we described in a [recent Adviser Fund Update](#), Fidelity launched three actively managed fixed income ETFs on October 9, the first step in what may be a potent business opportunity, and indicative of Johnson's drive to explore untapped markets.

### Manager Change at Vanguard International Growth

#### In This Issue

- One of the Most Powerful Women on Wall Street Takes Fidelity's Helm
- Manager Change at Vanguard
- International Growth

On October 3, Charles Anniss replaced Greg Aldridge on the M&G Investment Management team that runs Vanguard International Growth alongside Schroder Investment Management and Baillie Gifford.

Annis joined M&G in 2000 in the investment communications department and became an analyst in 2003. In 2006, he began managing the M&G European Smaller Companies Fund, and in January 2011, was named co-manager of the M&G Pan European Fund and the M&G European Fund. Anniss was appointed deputy manager of the M&G Global Growth Fund in August 2013. He has also earned the Chartered Financial Analyst designation.

Vanguard made no remark on the change on its website (the firm did file an update to its literature with the SEC and made note of the move in the most recent annual report to shareholders, however). But since Aldridge first made plans to step away from his fund management responsibilities early in 2014 to focus on a new role at M&G, it's highly likely Vanguard knew it was coming.

We don't think the move is a cause for concern for International Growth's investors. M&G manages only 13% of fund assets, and Anniss has worked alongside Aldridge for the last several years. We expect he'll manage M&G's portion of the portfolio similarly to his predecessor.

### **About Adviser Investments**

Adviser Investments and its subsidiaries operate as an independent, professional money management firm with particular expertise in Fidelity and Vanguard mutual funds. With 2,500 clients and more than \$3.0 billion under management, Adviser Investments is one of the nation's largest mutual fund research and money management firms. Our investment professionals focus on helping individual investors, trusts, foundations and institutions meet their investment goals. Our minimum account size is \$350,000. Adviser Investments was recently named to *Barron's* list of the top 100 independent financial advisers nationwide and its list of the top advisory firms in Massachusetts. We are also recognized on the *Financial Times* 300 Top Registered Investment Advisers list.

For more information, please visit [www.adviserinvestments.com](http://www.adviserinvestments.com) or call 800-492-6868.

Disclaimer: This material is distributed for informational purposes only. The investment ideas and expressions of opinion may contain certain forward-looking statements and should not be viewed as recommendations, personal investment advice or considered an offer to buy or sell specific securities. Data and statistics contained in this report are obtained from what we believe to be reliable sources; however, their accuracy, completeness or reliability cannot be guaranteed.

Our statements and opinions are subject to change without notice and should be considered only as part of a diversified portfolio. You may request a free copy of the firm's Form ADV Part 2, which describes, among other items, risk factors, strategies, affiliations, services offered and fees charged.

Past performance is not an indication of future returns. The tax information contained herein is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. We do not provide legal or tax advice. Always consult an attorney or tax professional regarding your specific legal or tax situation.

The *Barron's* ranking reflects the volume of assets overseen by the advisers and their teams, revenues generated for the firms and the quality of the advisers' practices, as determined by its editors.

Editors at the *Financial Times* bestowed "elite" status on 300 firms in the U.S., as determined by assets under management, asset growth, longevity, compliance record, industry certifications and online accessibility.