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Vanguard Merges Fund Away

On May 16, Vanguard finished up the fund roster purge it initiated last fall by merging its Tax-Managed Growth & Income fund into 500 Index. We think the move is a positive for investors.

Similar to the merger of Developed Markets Index and Tax-Managed International in April ([click here](#) to read our coverage), the melding of these two funds makes sense. They both tracked the S&P 500 Index, and while Tax-Managed Growth & Income had an additional mandate of tax sensitivity, the funds' tax efficiency and returns have been nearly identical for years, giving investors in the tax-managed fund no real, additional benefit over 500 Index.

In fact, investors in Tax-Managed Growth & Income who have seen their holdings in the fund converted to the Admiral share class of 500 Index will benefit from the move, as expenses are 7 basis points less: 0.05% for 500 Index compared to the 0.12% the tax-managed fund was charging.

Fidelity Shuffles Bond Managers

On May 19, Fidelity changed the management of its International Bond and Global Bond funds, naming Curt Hollingsworth lead manager and adding Michael Foggin and Constantin Petrov as co-managers on both. Jeffrey Moore will remain a co-manager on the Global Bond fund. These changes seem like a routine part of Fidelity's manager development process and should not be of concern to investors in the funds affected.

Hollingsworth, who had previously co-managed both of the funds concerned, joined Fidelity in 1983 as a trader and has been managing fixed-income portfolios for the firm since 1987. Past management experience includes the investment-grade bond sleeve of Fidelity Balanced, and portfolio manager roles at Government Income and GNMA. He's also served as the head of both money market and bond trading for Fidelity's Fixed Income Division, and has been co-managing the fund company's passive bond portfolios since 2009 and its global bond funds since 2012.

Foggin is a relative newcomer to Fidelity; since he joined the firm in 2012, he's been running Fidelity spinoff company Pyramis' global credit portfolio and the international credit sleeve of Fidelity's Total Bond fund. Before Fidelity, he was a fixed-income manager at Schroder Investment Management and a trader assistant at Caxton Asset Management Limited.

Petrov has been with Fidelity since 1996, and is currently a research analyst and portfolio manager specializing in local currency debt markets. In his years with the firm, he's covered a number of research areas, including debt and equity valuations, risk management and quantitative trading strategies, among others.

Brandon Bettencourt has succeeded Hollingsworth as co-manager of Fidelity's bond index funds, joining existing co-manager Alan Bembenek. Bettencourt was hired by Fidelity in 2008 as a municipal research associate, adding coverage of housing and higher education loans to his responsibilities over time. He became a portfolio analyst for Fidelity's Passive Strategy Team in 2011, where he worked on quantitative modeling, rebalancing and trade strategies to better manage the team's portfolios.

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