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Vanguard Veterans Step Down

As 2012 came to a close, Vanguard's chief investment officer, George "Gus" Sauter, stepped down after a 25-year career. Among his other accomplishments, Sauter is responsible for developing the firm's booming ETF business. Also entering the retired ranks was Health Care fund manager Ed Owens of Wellington Management, who goes out as Vanguard's longest-tenured external manager, having run the fund from its 1984 inception. Both will be missed, but neither leaves a vacuum behind.

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Sauter was replaced by Mortimer "Tim" Buckley, a Vanguard managing director. Buckley's task will be to keep the gears running smoothly while managing his managers. Buckley has been a member of Vanguard's senior staff since 2001 and has directed Vanguard's Retail Investor Group since 2006. He joined Vanguard in 1991 as assistant to then-Chairman John C. Bogle. Buckley is also a member of Vanguard's Portfolio Review Group, which has oversight responsibilities for in-house investment management functions and 30 external investment advisory firms employed by Vanguard in the United States and abroad. He earned an A.B. in economics from Harvard in 1991, and an M.B.A. from Harvard Business School in 1996.

Of greater import, Owens hands the reins of Health Care off to his co-manager Jean Hynes, who has been on the fund's management team for nearly 20 years. She joined Wellington Management in 1991 and specializes in the pharmaceutical and biotechnology industries. She earned a BA in economics from Wellesley College and is also a Chartered Financial Analyst and a member of the CFA Institute and the Boston Security Analysts Society. Hynes should be an able replacement for Owens, who has said he has full confidence in her abilities to carry the fund forward.

While the departures of Sauter and Owens represent a changing of the (Van)guard, neither should be a cause for concern for investors. For more on Sauter, you can read our [July 6, 2012 Adviser Fund Update](#) and for our initial

coverage of Owens' retirement, please see the [September 14, 2012 issue](#).

New Year, New Fidelity Managers

As of the turn of the calendar to 2013, several Fidelity funds have picked up new managers--all of these moves seem fairly routine.

Derek Janssen was appointed co-manager of Small Cap Value, joining Chuck Myers. Janssen has been a member of Fidelity's Small Cap team since 2007 and was responsible for coverage of non-U.S. small-cap industrials stocks. He subsequently spent a few years in Fidelity's Tokyo office, returning to Boston in 2010 to cover small-cap U.S. technology companies. Prior to joining Fidelity, Janssen worked at a pair of hedge funds from 2003 to 2007, Citadel Investment Group and Skystone Capital Management.

Fidelity's Series Small Cap Opportunities and Stock Selector Small Cap funds have been taken over by new manager Rich Thompson. Thompson joined Fidelity in 1996 as an equity research analyst and covered stocks in the health care, retail and technology industries, later joining the small cap equity research team. For two years, he worked out of the London office as a small cap team leader and portfolio manager for FIL Limited. In 2005, Thompson returned to Fidelity's Boston headquarters to manage Small Cap Independence.

Finally, Alex Devereaux is now co-manager of Disciplined Equity, joining Keith Quinton. Devereaux has been with Fidelity since 2005, initially serving as a quantitative researcher. Prior to Fidelity, he was a quantitative analyst with Evergreen Investments and Gartmore Global Investments. He began his investment career as a consultant at FactSet Research Systems in 1998.

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