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Vanguard's First Ever International Bond Fund

While Vanguard didn't make any official announcement, in recent filings with the Securities and Exchange Commission, the firm revealed that it has begun operations on its new Total International Bond Index fund (it is not yet open to investors, however). The fund will be Vanguard's first international-focused fixed-income fund available to U.S. investors and is slated for inclusion in the fund provider's various funds of funds, which are popular in 401(k) plans.

We've covered the tentative approach Vanguard has taken to the international bond market a number of times dating back to 2011, when Total International Bond Index (for the most recent coverage offering details on the fund's strategy, [click here](#)) and an emerging markets fixed-income fund were initially unveiled. Shortly thereafter, both funds' introductions were delayed indefinitely at the beginning of 2012 as the euro-zone crisis began to dominate headlines.

After a long wait, we're a step closer to seeing Total International Bond Index open its doors to investors. The new fund will have Investor (ticker: VTIBX), Admiral (VTABX), Institutional (VTIFX) and ETF (BNDX) share classes. Operating expenses for the various share classes will range from 0.12% to 0.23%.

As for Emerging Markets Government Bond Index, which is also slated for introduction this year, there is no indication as to when it will open. In the same filing showing that the broader international fund had begun operations, the emerging markets product had been removed. This doesn't mean it won't ever open, but it puts the schedule Vanguard released in February for the fund in some doubt (you can read more about Emerging Markets Government Bond Index by [clicking here](#)).

Manager Moves at Fidelity and Vanguard

Over the past month-plus, there have been a number of manager changes at Fidelity and Vanguard. While none should be cause for concern for investors in the affected funds, we always keep tabs on who is managing which funds at the two firms.

While manager changes are less frequent at Vanguard, they do occur, and one took place at one of the sub-advisers of the Growth & Income fund. Anne Dinning, a managing director and

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chief investment officer at D.E. Shaw, which handles about a third of the fund's assets, replaced Anthony Foley, her predecessor as CIO. D.E. Shaw employs a quantitative strategy, relying heavily on computer modeling to make stock picks, so we don't expect to see noticeable changes in the fund's composition or management as a result of Dinning's addition.

Fidelity's recent changes are as follows:

- Barry Golden succeeded Cathy Pena as manager of the Strategic Advisers Small-Mid Cap and Strategic Advisers Small-Mid Cap Multi-Manager funds on May 1. Golden has been with Fidelity since 2003, and most recently was the team leader for alternatives research within the firm's global asset allocation group. Prior to that, he'd served as a research analyst, an associate director of investments with the Strategic Advisers Charitable Gift Fund, and team leader of the Strategic Advisers U.S. equity research team. He also previously co-managed the Strategic Advisers Growth fund.
- Matthew Friedman took over the lead portfolio manager role at Stock Selector Large Cap Value (and the fund's Series and Advisor clones), replacing Bruce Dirks in mid-April. Friedman joined Fidelity in 2000 as a research analyst, and starting in 2003 began managing an array of the firm's Select sector funds, including Chemicals, Cyclical Industries, Energy, Multimedia, Natural Gas and Natural Resources. He went on to manage a number of broader funds, such as Advisor Value Strategies, VIP Contrafund, Balanced and Series All-Sector Equity. Along with his new role, he'll continue to manage VIP Value and co-manage Value and Advisor Value.
- Court Dignan was named manager of Mid Cap Value, also succeeding Dirks. Dignan got his start with Fidelity as an analyst, a role he served at both Fidelity Capital Investors and as part of the equity group, covering small-cap and value stocks. He'll continue to manage Select Insurance, which he's been running since 2009.

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