

Vanguard Cuts Redemption Fees on 33 Funds

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Vanguard is eliminating redemption fees on 33 funds, joining a long list of firms that have cut the fees in recent years.

Nineteen equity index funds and 14 actively managed funds are dropping redemption fees, effective immediately, Vanguard announced Wednesday.

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At least one industry observer is not certain that funds' efforts to thwart market timing have worked.

“Whether you have a redemption fee policy or a purchase-blocking policy, neither can be enforced uniformly under the omnibus accounting structure that most broker-dealers use,” says Niels Holch, executive director of the Coalition of Mutual Fund Investors. Many funds rely on intermediaries to enforce market-timing policies in certain circumstances, he adds.