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Ford retirement plans to pull \$900 mln from Fidelity Contrafund

By Tim McLaughlin (excerpt)
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Ford Motor Co said it was dropping Contrafund as an investment option in its employee retirement accounts, pulling an estimated \$900 million from Fidelity Investments' flagship mutual fund.

"From time to time, changes are made to the selection funds to best suit the needs of our employees," the company said in a statement Thursday evening. "Ford continues to partner with Fidelity through other investment mandates in our defined benefit and defined contribution plans."

Ford said the change would happen next month. Fidelity was not immediately available for comment.

Contrafund, managed by Will Danoff, is a behemoth in the mutual fund industry, with \$113 billion in assets.

Danoff is considered one of the industry's best stock pickers, generating a total annualized return of 9.55 percent over the past 10 years. That is 1.89 percentage points higher than the benchmark S&P 500 Index, according to Morningstar Inc.

Mainstay Capital Management LLC Chief Executive Officer David Kudla said Ford had been eliminating investment options for employee retirement plans, sometimes without offering a replacement.

"They've been taking out actively managed funds," he said.

Kudla's firm, whose client base includes Ford workers, oversees about \$2 billion.

So far in 2015, Contrafund's 7.71 percent total return is three times more than the S&P 500's 2.48 percent, according to Morningstar. Danoff is beating 73 percent of his largecap growth fund peers. ...

...Various Ford retirement plans had \$863 million invested in Contrafund at the end of last year, according to an annual report by the Ford Defined Contribution Plans Master Trust. ...

