
The story of Geode—Fidelity's low-profile indexing jewel

By Editorial Staff Thu, Feb 11, 2021

'Growing steadily without a marketing budget, Geode now manages some \$720 billion, up from less than \$100 billion a decade ago,' the Wall Street Journal reported this week.

The *Wall Street Journal* reported this week on the growth of Geode Capital Management, Inc., and its success in helping its giant parent, Fidelity Investments, gradually establish a footprint in the all-consuming index fund category—a space where Fidelity was slow to commit its brand.

Set up in 2001 by Fidelity and spun off as a separate entity in 2003, Geode has about 140 Boston-based employees, most of whom are quants—financial engineers trained in mathematics or computer science. Its investment-research team has just a dozen members.

Growing steadily without a marketing budget, Geode now manages some \$720 billion, up from less than \$100 billion a decade ago. It manages more money than Blackstone Group Inc., Eaton Vance Corp. and Putnam Investments, according to the report. Geode advises on all of Fidelity's no-fee Zero funds and dozens of others.

"The firm began as one of a handful of boutique managers created to invest a slice of the fortune of the founding Johnson family, along with those accumulated by a coterie of current and former Fidelity executives," the Journal said.

Fidelity committed \$229 million to the computer-driven investor and installed as its head Jacque Perold, a Fidelity executive who later served as the investment firm's president. Fidelity's nascent index funds were originally subadvised by Bankers Trust Corp. Perold was succeeded by Vincent Gubitosi, who served for 13 years until 2020. Bob Minicus succeeded him.

A link to the full-story, which is behind the Journal's paywall, can be found [here](#).