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## FIDELITY® TO LAUNCH SEPARATELY MANAGED ACCOUNTS FOR ADVISORS

*Five New Fidelity SMAs Provide Financial Advisors with Customized Investment Management Solutions for Clients*

BOSTON, December 12, 2019 – Fidelity Investments®, one of the most diversified global financial services and wealth management firms with \$8.0 trillion in client assets<sup>i</sup>, today announced it will launch Fidelity Advisor separately managed accounts (SMAs). The initial offering will debut in early 2020 with five equity SMA models designed to help financial advisors better serve their clients’ unique and complex financial goals.

“Investors are increasingly looking for investment strategies that are tailored to their specific needs and personal preferences, and for many, SMAs can be an appropriate solution,” said Judy Marlinski, president, Fidelity Institutional Asset Management®. “Advisors can use SMAs to create personalized investment strategies for their clients that can complement existing holdings or apply tax-efficient techniques. We’re focused on providing choice and flexibility for advisors, and this new offering leverages Fidelity’s decades of portfolio management experience and diverse investment capabilities.”

The Fidelity Advisor SMAs will complement the wide range of products across asset classes and investment vehicles that Fidelity offers, building on Fidelity’s more than 70 years of investment management experience and comprehensive research capabilities. The five model-delivered SMAs were developed based on existing Fidelity mutual fund and institutional strategies:

- **FA International Capital Appreciation SMA** seeks to invest in a combination of high-quality, cyclical growth stocks and structural, steady growers, both benefiting from long-term mega-trends. *Portfolio Managers: Sammy Simnegar, CFA; Zach Dewhirst, CFA; Yasmin Landy, CFA; Timothy Gannon, CFA*

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- **FA Growth Opportunities SMA** seeks to invest in companies with resilient business models that are inexpensive relative to our expectations of their earnings per share in three to seven years. *Portfolio Managers: Kyle Weaver; Zach Dewhirst, CFA; Thomas Rollins, CFA; Michael Kim*
- **FA Founders SMA** seeks to invest in founder-involved companies with strong earnings growth potential that are trading at reasonable prices. *Portfolio Managers: Daniel Kelley; Zach Dewhirst, CFA; James Jordan; Zhitong Zhang, CFA*
- **FA Small Company SMA** seeks to invest in small cap stocks with superior growth potential and financial characteristics that are trading at attractive valuations. *Portfolio Managers: Forrest St. Clair; Zach Dewhirst, CFA; Benjamin Treacy, CFA*
- **FA Women’s Leadership SMA** seeks to invest in companies that prioritize and advance women's leadership/development and have strong competitive moats that can result in durable earnings growth or in companies we believe can benefit from open-ended growth opportunities. *Portfolio Managers: Nicole Connolly; Zach Dewhirst, CFA; Yasmin Landy, CFA; Michael Robertson*

“The Women’s Leadership SMA is designed to deliver returns with a purpose and allow advisors to engage their clients in conversations about values and the legacy they want to leave for future generations,” said Nicole Connolly, portfolio manager and head of ESG investing, Fidelity Investments. “These types of discussions can help advisors build deeper relationships with their clients and engage the entire family in the investment dialogue.”

The Fidelity Advisor SMAs will be available to advisors through broker-dealer firms, RIAs and managed account platform providers.

The demand for managed accounts is growing rapidly. Cerulli projects assets in unified managed accounts (UMAs) will nearly double by 2022 to an estimated \$1.85 trillion, up from \$994 billion in 2018. And, SMAs already accounted for nearly half (47%) of assets in UMAs in 2018.<sup>ii</sup> Investor preferences continue to evolve, and SMAs can help advisors personalize clients’ portfolios and manage their tax efficiency, as well as offer increased transparency through direct ownership of securities.

The SMA models are an extension of Fidelity's suite of portfolio construction solutions. Aimed at helping advisors scale their practices and focus on strengthening client relationships, Fidelity provides the fundamental building blocks, industry insights, research, and tools to help advisors align portfolio objectives to client goals. This offering also builds on Fidelity's commitment to the managed account space as intermediary clients express a shift towards both planning-led experiences and fee-based business models. Fidelity continues to broaden its current lineup of portfolio and managed account capabilities, such as the recently announced launch of [Fidelity Managed Account Xchange<sup>SM</sup>](#) (FMAX), a comprehensive wealth management platform that will consist of advisory tools, programs and services.

Fidelity also offers a lineup of model portfolios, which are accessible through broker-dealer firms and managed account platform providers. [Fidelity Model Portfolios](#) include ETFs and mutual funds, active and passive management, strategic and dynamic management approaches, Fidelity funds and offerings from leading fund providers – to help advisors more efficiently manage their clients' investments in a customizable way.

For more information on Fidelity Advisor SMAs, please visit [go.fidelity.com/SMA](https://go.fidelity.com/SMA).

### **About Fidelity Investments**

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of \$8.0 trillion, including discretionary assets of \$3.0 trillion as of October 31, 2019, we focus on meeting the unique needs of a diverse set of customers: helping more than 30 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for more than 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about>.

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SMA Risks: Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. • Growth stocks can perform differently from other types of stocks and the market as a whole and can be more volatile than other types of stocks. • Securities selected using quantitative analysis can perform differently from the market as a whole. • The Adviser's applications of the founder-involved or women's leadership strategy may not achieve the intended results and the strategy could underperform the market as a whole. • The securities of smaller, less well-known companies can be more volatile than those of larger companies.

The FA Founders SMA, Growth Opportunities SMA, International Capital Appreciation SMA, Small Company SMA, and Women's Leadership SMA (collectively the "SMA Models") are made available to financial intermediaries on a non-discretionary basis by Fidelity Investments Institutional Services Company, Inc. ("FIISC"), a registered broker-dealer, as a paid solicitor of its affiliate and provider of the SMA Models to financial intermediaries, FIAM LLC, a registered investment adviser. Financial intermediaries that utilize the SMA Models compensate FIAM LLC for such advice. FIISC and FIAM LLC are referred to collectively as "FIAM" or "Fidelity."

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Past performance is no guarantee of future results. An investment may be risky and may not be suitable for an investor's goals, objectives and risk tolerance. Investors should be aware that an investment's value may be volatile and any investment involves the risk that you may lose money. Investment performance of the SMA Models depends on the performance of the underlying investments and on the proportion of the assets invested in each investment over time. The performance of these investments will vary day to day in response to many factors. Asset allocation strategies are subject to the volatility of the financial markets.

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<sup>i</sup> As of October 31, 2019

<sup>ii</sup> Cerulli, "U.S. Managed Accounts 2019: The Challenge of New Platforms," June 2019