

2022

Annual Report



Fidelity[®]

About Fidelity

Fidelity's mission is to strengthen the financial well-being of our customers and deliver better outcomes for the clients and businesses we serve. Fidelity's strength comes from the scale of our market-leading, interconnected financial services businesses that provide comprehensive solutions for individuals, families, employers, wealth management firms, and institutional investors. With assets under administration of \$10.3 trillion, including discretionary assets of \$3.9 trillion, we focus on meeting the unique needs of a diverse set of customers. Privately held for 76 years, Fidelity employs 68,000 associates who are focused on the long-term success of our customers. For more information, visit [About Fidelity](#).*

OUR CUSTOMERS AND CLIENTS

41 million
individual investors

We provide the financial planning, advice, and educational resources that both experienced and new investors need, including retirement planning, wealth management, brokerage services, college savings, and more.

23,000+
employers

We work closely with employers to create dynamic benefit programs for their employees, including employee retirement savings, health and welfare, stock plan services, and more.

3,700+
clearing and custody clients

We help wealth management firms and institutions grow their businesses and navigate the evolving industry landscape. In addition to our insights and expertise, we provide investment and technology products and solutions, clearing and custody services, and institutional trading products, services, and execution.

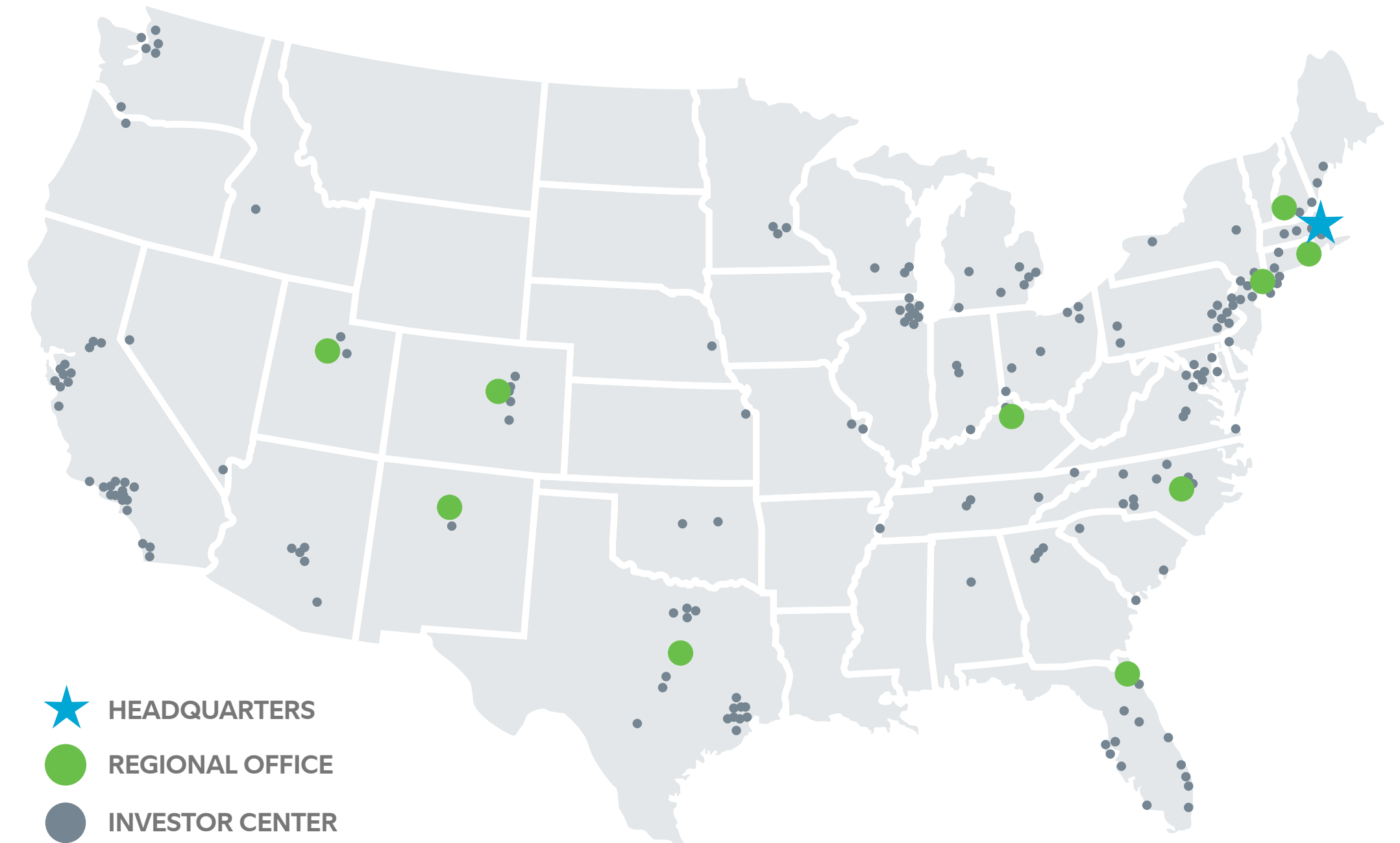
OUR ASSOCIATES

68,000
Associates

Headquartered in
Boston, MA

200+
U.S. Investor Centers

13 Global Sites
across the U.S., Ireland, and India



Chairman's Letter

Fidelity Investments had another year of strong financial performance spurred by robust customer and account growth. The company had outstanding operating performance in each of its major lines of business—retail brokerage, wealth management, workplace benefits, asset management, and clearing and custody. This unique combination of businesses gives Fidelity the financial and operating stability to deliver resilient business results during both bull and bear markets.

For the year, FMR LLC, comprising results from Fidelity Financial Services and FMR's diversified businesses, recorded revenue of \$25.2 billion—a record high, surpassing 2021 revenue of \$24.0 billion by 5%. Operating income, at \$8.0 billion, was 1% lower than the prior year, but this was an expected and planned development, as we made significant increases in hiring and substantial investments in the company's technology platforms.

Since Fidelity's founding, our focus has been on strengthening and securing the financial well-being of our diverse customer base. This means that our operating decisions are based on customer needs rather than short-term market trends. Therefore, despite the stock and bond market declines last year, we increased hiring and spending on customer service, technology, and new products. We have followed this contracyclical path

multiple times during our long history, because it is during periods of market and economic volatility that we see surges in the number of customers who call, visit our Investor Centers, use one or more of our digital channels, or increase their investing activities with us.

In 2022, Fidelity filled more than 17,000 associate roles across all job functions, including customer experience, technology, product management, and investment research. In addition, we invested \$4.2 billion to maintain, enhance, and upgrade the company's technology systems. These investments in hiring and technology helped us deliver the elevated level of customer service that our growing customer base expects—such as our work this past year to create financial plans for seven million individuals across Fidelity's retail brokerage and workplace benefits businesses.

At year-end, Fidelity serviced 40.9 million workplace participant accounts, 37.1 million retail accounts, and 8.2 million accounts managed by wealth management firms that use Fidelity's brokerage platform. These totals are 8%, 11%, and 7% higher, respectively, than at year-end 2021. Our increased hiring in 2022 helped us meet the needs of the individuals, households, employers, and wealth management firms who opened these accounts.

As we did in 2022, we will continue to innovate and launch new products and services that help expand our relationships with existing customers and attract new customers. Last year, our Asset Management division added to its alternative investment product lineup with the launches of multiple new funds. Fidelity's Personal Investing business launched a fully digital direct-index offering available at a low investment minimum. We expanded our product lineup for wealth management firms with Fidelity Institutional® Custom Separately Managed Accounts, allowing advisors to build and manage equity portfolios tailored to their customers' needs and preferences. Our Workplace Investing unit introduced a new emergency savings benefit allowing employees to contribute a portion of their after-tax pay to their personal savings accounts via payroll deductions.

We also made substantial enhancements to associate tools and benefits because we have always believed that the foundation for an outstanding customer experience starts with a fulfilling and rewarding associate experience. A key to this is career mobility, which means working in various parts of the firm to better understand the interconnectedness of Fidelity's businesses. Mobility within Fidelity also helps ensure that we always have a deep bench of talented

associates to provide outstanding service to customers. Our focus on aligning talent with customer and business needs resulted in 36% of associates moving to new roles at the company, the highest level in five years.

Going forward, our strategic pillars remain the same: expand relationships with existing customers, win new customers, become a leader in digital tools and services, and deliver an outstanding associate experience. In particular, we are hyper-focused on updating our technology to continue to provide robust, intuitive digital experiences for Fidelity's customers and associates.

Thank you to all the individual customers and business-to-business clients who use our products and services. We will continue to make investments in people, products, and technology to provide superior service and earn your confidence.

Sincerely,

Abigail P. Johnson
Chairman and CEO



"Thanks to the hard work of every Fidelity associate on behalf of our customers, 2022 was another strong year. We continued to grow our revenue and customer base while digitizing all aspects of our business. Our highest priority remains the same: build and strengthen relationships with our customers."

Maggie Serravalli, CFO



Financial and Operating Results

Revenue

\$25.2 billion

⬆️ 5% from 2021

Operating Expense

\$17.2 billion

⬆️ 8% from 2021

Operating Income

\$8.0 billion

⬇️ 1% from 2021

Assets Under Administration

\$10.3 trillion

⬇️ 13% from 2021

Discretionary Assets*

\$3.9 trillion

⬇️ 13% from 2021

Net Asset Flows

\$466 billion

⬇️ 22% from 2021

*Includes all Fidelity investment products, such as mutual funds and managed accounts.

Customer and Account Growth

Fidelity remained focused on meeting the evolving needs of customers and clients in 2022, resulting in significant year-over-year growth in accounts and call volumes.

Total Retail Accounts
37.1 million

↑ 11% from 2021

43%

of new retail accounts in 2022 were opened by **investors between 18-35 years old.**

Total Workplace Plan Participants*
40.9 million

↑ 8% from 2021

Total Clearing and Custody Accounts**
8.2 million

↑ 7% from 2021

*Includes participant accounts within the Health Care Group.

**Institutional clients who use Fidelity's custody, clearing, institutional brokerage, and wealth management platforms.

CUSTOMER ENGAGEMENT

7.0 million new financial plans created for individual retail customers and workplace participants.

Provided **2.6 million** retail customers and 6,000 institutions with materials to help them navigate market volatility.

4.0 million customer appointments in Investor Centers and Regional Offices.
↑ 21% from 2021

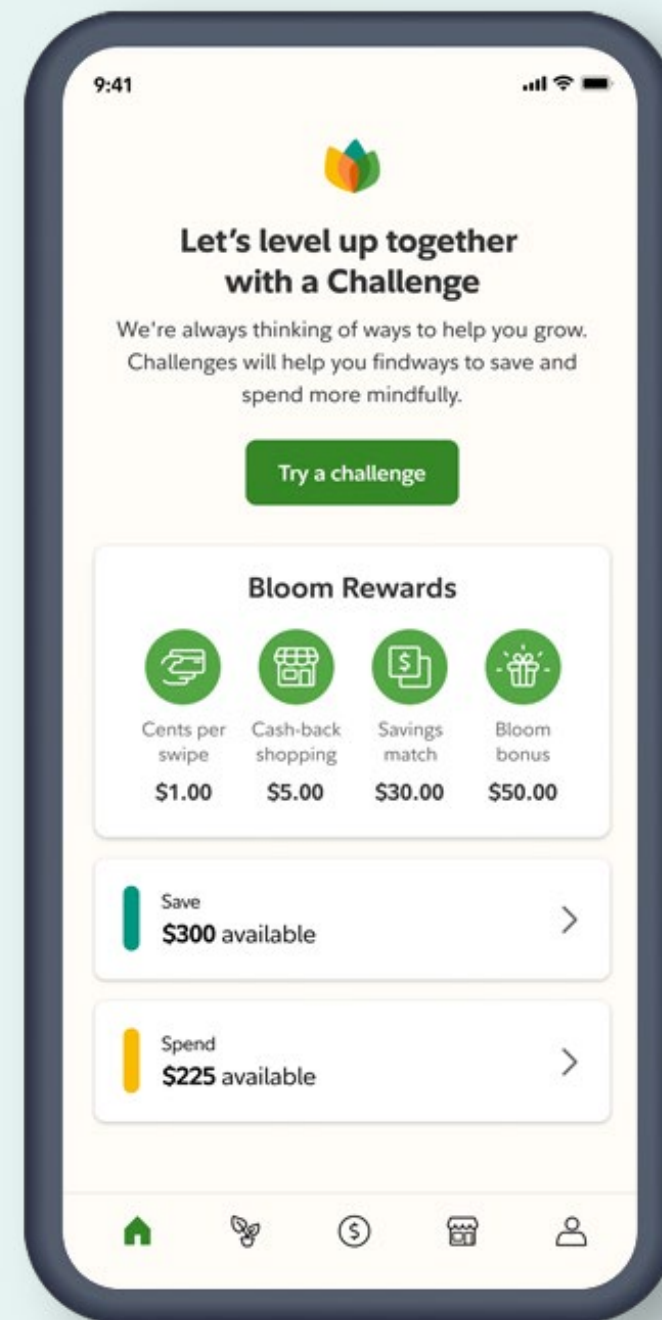
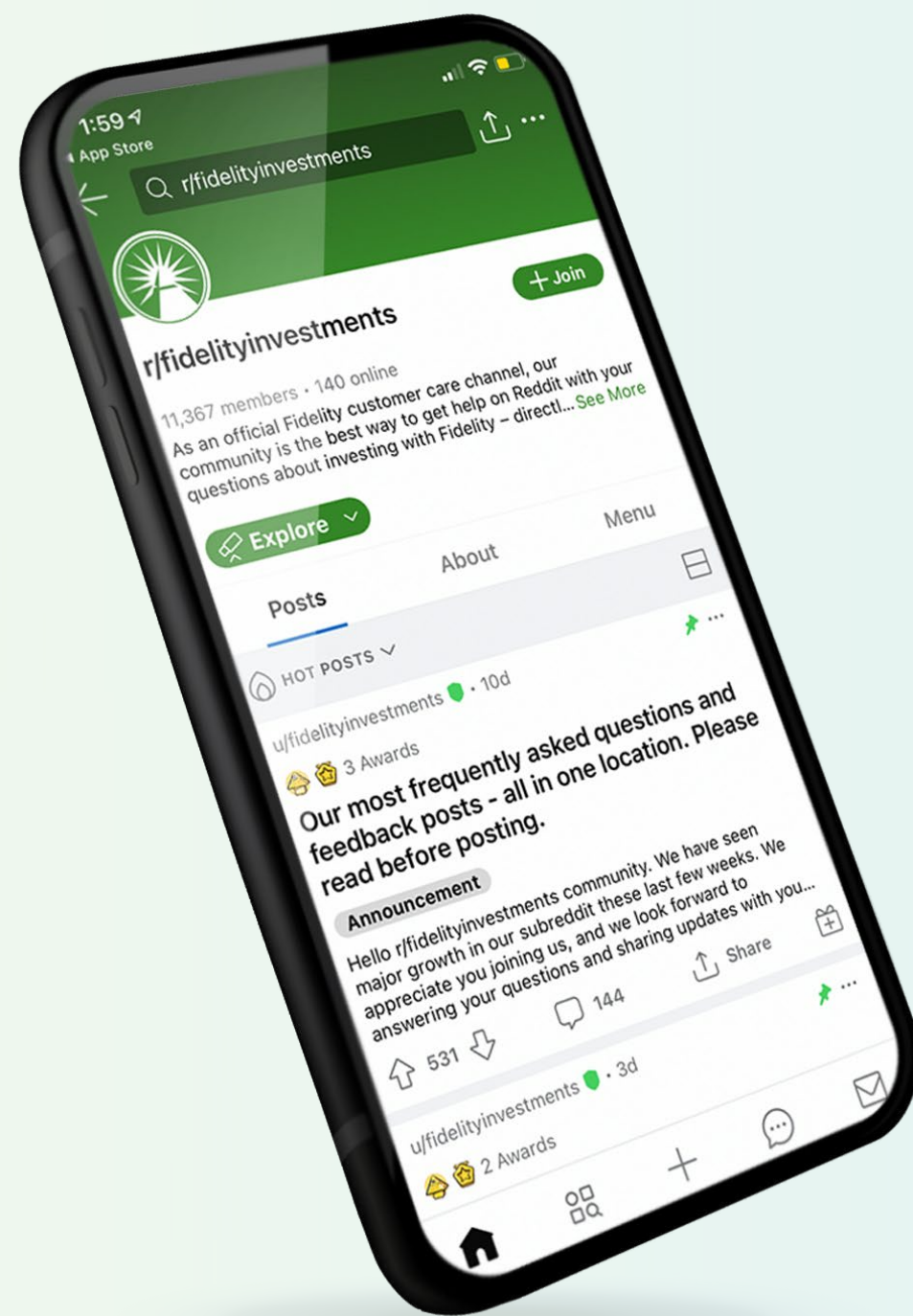
Launched two new newsletters — *Smart Money* for young investors and *Wealth Insights Weekly* for investors with more complex needs — and **more than 300,000 customers and prospects subscribed in the first year.**



DIGITIZING OUR CUSTOMER SERVICE

We onboarded new Social Media Customer Care representatives to provide customer service directly through social platforms.

In 2022, we serviced nearly 760,000 customer interactions on Facebook, Reddit, and Twitter and took our customer service engagement to Pinterest, Discord, and the metaverse.



Digital Customer Experience

Fidelity continues to invest in the people and technology needed to deliver an outstanding customer experience. The key to satisfying our existing customers, as well as attracting future customers, is the ongoing enhancement of our platforms and digital offerings.



Fidelity opened up access to its new mobile flagship app, which streamlines account openings and makes it easier for customers to find the information and education they need. The number of users of the new app increased from 1.0 million in 2021 to 5.0 million in 2022.



Fidelity became the first brokerage firm to offer immersive financial education in the metaverse — “The Fidelity Stack” in Decentraland — and one of the first brokerage firms to launch on Discord with customer service.



Fidelity launched a new, digitally-guided client onboarding solution to automate the implementation process for new workplace clients.



We launched Fidelity BloomSM, a mobile app grounded in behavioral science that rewards users for smart money moves.

BEST ONLINE BROKER FOR BEGINNING INVESTORS 2022 AND 2023¹



A TOP-RATED ONLINE BROKER 2022 AND 2023²



BEST OVERALL ONLINE BROKER 2022³




BEST ONLINE BROKER 2022⁴





New Products and Services


We continue to challenge the status quo and harness innovation to move faster and create value for our customers and clients, developing new products and services to stay ahead of their evolving needs.

NEW WORKPLACE SOLUTIONS

- 


Created industry-first nationwide consortium to deliver auto- portability retirement solutions when individuals change employers.
- 


Introduced a digital solution to simplify the process of **applying for federal student loan forgiveness**.
- 


Launched **new emergency savings workplace benefit program** for employers.
- 


Introduced **fractional shares capabilities** for employee stock purchase plans.


NEW AND ENHANCED INVESTMENT OPTIONS

- 

Introduced **Fidelity Managed FidFolios™**, an industry-leading, fully digital direct-indexing offering available at a minimum investment of \$5,000. **Fidelity Solo FidFolios™** lets do-it-yourself investors manage a basket of stocks and ETFs based on their own custom index.⁵
- 

We expanded our direct-indexing product lineup with **Fidelity Institutional® Custom Separately Managed Accounts**, allowing advisors to build and manage equity portfolios customized to their customers' needs and preferences.⁶
- 

Fidelity expanded its **alternative mutual fund product lineup** with Fidelity® Macro Opportunities Fund, Fidelity® Risk Parity Fund, and Fidelity® Hedged Equity Fund.
- 

Clients can now purchase a fraction of a **Certificate of Deposit** for as little as \$100. Fidelity was the first in the industry to break the \$1,000 minimum purchase limit.
- 

Launched **five new ESG investment options** in 2022, including the Fidelity® Healthy Future Fund.⁷

DIGITAL ASSETS

Fidelity broadened its digital asset offerings in 2022, staying true to our commitment to offer a broad portfolio of investment choices backed by research and education that meet our customers' needs.

- Launched Fidelity Crypto™** to allow our retail customers to buy, sell, and custody bitcoin and ether.
- Enhanced the Fidelity Digital Assets™ platform** to accommodate ether, real-time settlement, and expanded trading and service hours.
- Expanded our ETF lineup** with Fidelity® Crypto Industry and Digital Payments ETF and Fidelity® Metaverse ETF.
- Created a **Digital Assets Account** option for interested 401(k) plan sponsors to add to investment menus, allowing participants to invest in bitcoin in a limited and secure manner.



Our Associates

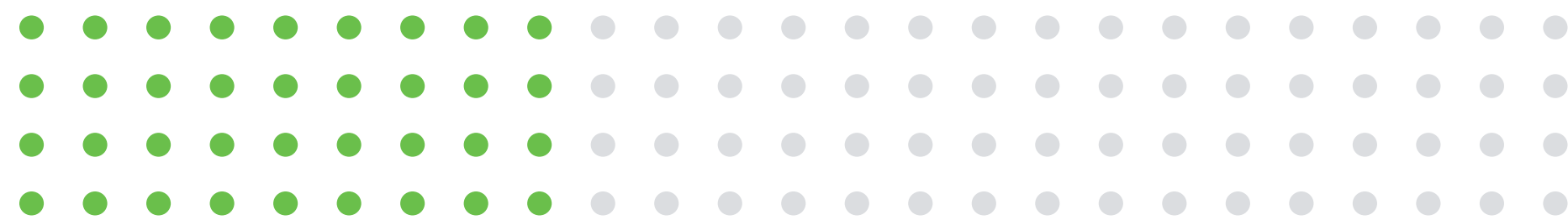
We remain focused on developing, retaining, and recruiting the best talent. We recognize that a diverse workforce is essential to our long-term success and have made progress toward enhancing representation across all segments of our associate population, which has been aided by increased hiring two years in row.

 **Total Employees**
68,000




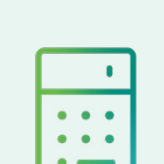
 **Record Hiring**
17,000+
roles filled in 2022

36%
of associates (22,000) experienced internal mobility





Highest mobility in five years, reflecting a strategic priority to ensure we are developing a deep bench of talent to service our growing customer base.



NEW ASSOCIATE BENEFITS

-  Extended parental leave time and expanded fertility and adoption assistance.
-  Expanded the definition of eligible dependents in all health plans to include domestic partners and their children.
-  Introduced fully-funded assistance for undergraduate degree programs for 18,000 early-career customer service associates.
-  Increased student loan assistance to \$15,000 over five years.

SUPPORTING OUR ASSOCIATES

-  Expanded our suite of associate development programs.
-  Launched Fidelity YOU, an early-career program designed to provide associates with the tools they need to manage a career in Operations.
-  Completed a skills assessment and identified needs for technology associates to enable targeted learning and career development opportunities.
-  Introduced a completely re-imagined experience for new client service associates that provides career exploration and coaching, variety of work to serve clients in different ways, and time for renewal.



D&I AT FIDELITY

In 2020, Fidelity's Diversity and Inclusion (D&I) strategy was launched to help us achieve a diverse and inclusive workforce that informs the way we engage with and support our associates, and how we serve our customers, clients, and communities. Each year since, Fidelity has reported on its progress. Fidelity's 2022 D&I Report will be released in spring 2023.



Our Communities

We are committed to creating opportunities and value for the communities where we live, work, and serve. In 2022, more than 3,000 associates volunteered with community organizations through Fidelity Cares, our employee-volunteer program. We are focused on financial inclusion and economic mobility for underserved and under-resourced groups. From scholarships to mentoring, grants, and partnerships, we seek to create a foundation to build generational wealth.



For the second year in a row, we increased our diverse supplier spend by 30%. **Our diverse supplier spend in 2022 was \$350 million.**



Our 2:1 match for education support **raised more than \$5 million** for educational institutions across the United States.



Fidelity associates worked through Common Impact, a nationally recognized nonprofit, to **support and mentor 51 other nonprofits** facing key business challenges.



INVEST IN MY EDUCATION (ME)SM

We recently launched a **\$250 million college scholarship and support program** to further financial inclusion and economic mobility for up to 50,000 Black, Latino, and other underserved students — Invest in My Education (ME)SM.



YOUR CHOICE GRANTS PROGRAM

To help Fidelity associates invest and engage in our community efforts, we created the YOUR CHOICE Grants program, which allows associates to nominate and choose nonprofit organizations to receive funding and support from Fidelity. In 2022, Fidelity **supported and funded over 200 nonprofits.**



Disclosures

¹ Fidelity was named NerdWallet's 2022 winner for Best Online Broker for Beginning Investors, Best Online Broker for IRA Investing, and Best App for Investing. Results based on evaluating 16 brokers per category. ©2017-2022 and TM, NerdWallet, Inc. All Rights Reserved.

² StockBrokers.com 2022 Online Broker Review, January 2022: Fidelity was ranked No. 1 overall out of 15 online brokers evaluated in the StockBrokers.com 2022 Online Broker Review.

³ Investor's Business Daily®, January 2022: Best Online Brokers Special Report. Fidelity was named Best Overall Online Broker, and also first in Trade Execution Speed, Website Security, Site Performance, Research Tools, and Investment Research. Results based on having the highest Customer Experience Index within the categories composing the survey, as scored by 5,000 respondents. The survey was conducted by Investor's Business Daily's polling partner, TechnoMetrica Market Intelligence.

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⁴ Investopedia, January 2022: Fidelity was named the #1 Overall Online Broker and Best Broker for Low Costs among 23 brokers reviewed.

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⁵ Fidelity Managed FidFoliosSM provides discretionary investment management for a fee. Fidelity Managed FidFoliosSM includes the Environmental Focus Strategy, the U.S. Large Cap Index Strategy, and the International Index Strategy. Advisory services offered by Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser. Brokerage services provided by Fidelity Brokerage Services LLC (FBS), and custodial and related services provided by National Financial Services LLC (NFS), each a member NYSE and SIPC. FPWA, FBS, and NFS are Fidelity Investments companies.

⁶ Fidelity Brokerage Services LLC ("FBS"), an affiliate of FIWA, is a registered broker-dealer. FBS distributes FIWA's Accounts as a paid solicitor.

Fidelity Institutional Wealth Adviser LLC ("FIWA") is a registered investment adviser and an indirect, wholly owned subsidiary of FMR LLC. FIWA provides customized separately managed account portfolios that consider tax effects for taxable clients. FIWA has retained the services of its affiliate, Fidelity Management & Research Company LLC ("FMR"), to manage these accounts, subject to FIWA's supervision and oversight.

⁷ Investing based on environmental, social, and corporate governance (ESG) factors may cause a strategy to forgo certain investment opportunities available to strategies that do not use such criteria. Because of the subjective nature of sustainable investing, there can be no guarantee that ESG criteria used by Fidelity will reflect the beliefs or values of any particular client.

Exchange-traded products (ETPs) are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETPs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETPs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETP is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETP may trade at a premium or discount to its net asset value (NAV) or indicative value in the case of exchange-traded notes. The degree of liquidity can vary significantly from one ETP to another and losses may be magnified if no liquid market exists for the ETP's shares when attempting to sell them. Each ETP has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Fidelity CryptoSM is offered by Fidelity Digital AssetsSM.

Investing involves risk, including risk of loss.

Crypto is highly volatile, can become illiquid at any time, and is for investors with a high-risk tolerance. Investors in crypto could lose the entire value of their investment.

Custody and trading of crypto are provided by Fidelity Digital Asset Services, LLC, a New York State-chartered limited liability trust company (NMLS ID 1773897). Crypto is not insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation ("SIPC").

Brokerage services in support of securities trading are provided by Fidelity Brokerage Services LLC ("FBS"), and related custody services are provided by National Financial Services LLC ("NFS"), each a registered broker-dealer and member NYSE and SIPC.

Neither FBS nor NFS offer crypto nor provide trading or custody services for such assets.

Before investing in any mutual fund or exchange-traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, an offering circular, or, if available, a summary prospectus containing this information. Read it carefully.

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Fidelity Workplace Services LLC provides recordkeeping and custodial services to the Digital Assets Account.

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