



FOR IMMEDIATE RELEASE

Follow us on Twitter [@FidelityNews](https://twitter.com/FidelityNews)

Contact for Media Only:

Corporate Communications
(617) 563-5800
fidelitycorporateaffairs@fmr.com

Jessica Macdonald
(617) 563-0656
jessica.macdonald@fmr.com

FIDELITY® LAUNCHES NEW COMPANY, FIDELITY DIGITAL ASSETSSM

New Company to Provide Enterprise-Grade Digital Asset Solutions for Institutional Investors

NEW YORK, October 15, 2018 – Fidelity Investments, one of the world’s largest and most diversified financial services providers with more than \$7.2 trillion in client assets, today announced the launch of a new company, Fidelity Digital Asset Services, LLC (“Fidelity Digital Assets”). The company will offer enterprise-quality custody and trade execution services for digital assets, commonly referred to as cryptocurrencies, to sophisticated institutional investors such as hedge funds, family offices and market intermediaries.

“Our goal is to make digitally-native assets, such as bitcoin, more accessible to investors,” said Abigail P. Johnson, Chairman and CEO of Fidelity Investments. “We expect to continue investing and experimenting, over the long-term, with ways to make this emerging asset class easier for our clients to understand and use.”

“We started exploring blockchain and digital assets several years ago, and those efforts have been successful in helping us understand and advance our thinking around cryptocurrencies,” said Tom Jessop, head of Fidelity Digital Assets. “The creation of Fidelity Digital Assets is the first step in a long-term vision to create a full-service enterprise-grade platform for digital assets.”

One of the steps in realizing this future for digital assets is to create a foundation of institutional-quality solutions that will continue to help advance the industry. While there are many retail service providers in the digital assets space today, there is a gap in support for institutions. This has created a paradox -- while Greenwich Associates found that 70 percent of institutional finance executives believe cryptocurrencies will have a place in the future of the industry¹, many firms are waiting on the sidelines to enter this market. When Fidelity Digital Assets rolls out its initial offering, it will provide solutions that institutional

clients have been asking for and Fidelity -- with its experience serving more than 13,000 institutions today -- is ideally suited to support.

What the Market Requires

In its most recent edition of the Fidelity Global Institutional Investor Surveyⁱⁱ, Fidelity found that 70 percent of institutional investors said that new asset classes will likely emerge because of advancing technologies, such as blockchain. With the rise of interest in digital currencies and various use cases, institutional investors -- such as hedge funds, family offices and market intermediaries -- look to enter the market for a number of reasons. Whether it's the rising popularity as a store of value or relative non-correlation to the broader market, the potential to power lower-cost global payments, or the emergence of protocols that could power new industries, institutional investors are interested in engaging with this new asset class. Fidelity Digital Assets is building the foundation needed to further the market adoption by offering:

- **Institutional-Grade Custody of Digital Assets**
Fidelity Digital Assets will provide a secure, compliant, and institutional-grade omnibus storage solution for bitcoin, ether and other digital assets. This consists of vaulted cold storage, multi-level physical and cyber controls – security protocols that have been created leveraging Fidelity's time-tested security principles and best practices combined with internal and external digital asset experts. Learn more about [“Custody in the Age of Digital Assets” here.](#)
- **Trade Execution**
Fidelity Digital Assets will leverage a proven internal crossing engine and smart order router for trade execution of digital assets. This smart order router will allow for execution at multiple market venues.
- **Dedicated Client Service**
Given the complexity of digital assets, the early stage of institutions' involvement with these asset classes, and Fidelity's long-standing tradition of putting its customers first, Fidelity Digital Assets will emphasize client support in its offering. Fidelity Digital Asset clients will have access to a dedicated team of client service specialists, from onboarding throughout the entire relationship with the company.

“In our conversations with institutions, they tell us that in order to engage with digital assets in a meaningful way, they need a trusted platform provider to enter this space. These institutions require a sophisticated level of service and security, equal to the experience they're used to when trading stocks or bonds. With Fidelity Digital Assets, we're building a scalable infrastructure for digital assets that meets the expectations of what it means to work with Fidelity,

while leveraging unique capabilities of the blockchain to create a completely new offering,” concluded Jessop.

Fidelity’s Commitment to Digital Assets

Since Fidelity’s founding more than 70 years ago, it has been a leader in the use of technology and in offering new products and services.

Fidelity believes that distributed ledger technologies can enable entirely new business models, lead to the creation of frictionless capital markets and improve existing financial market infrastructure. Fidelity can envision a world where all types of assets are issued natively on a blockchain or represented in tokenized format.

Fidelity began researching digital assets in its Blockchain Incubator (part of Fidelity Center for Applied Technology) in 2013 and has since experimented with mining, enabled its customers to see their digital asset balances at Coinbase on Fidelity.com, and has collaborated extensively with others committed to furthering this space, including an effort with the MIT Digital Currency Initiative to host the [first Layer 2 Summit](#) in May 2018. Fidelity Charitable® also began accepting bitcoin as charitable donations in 2015, an idea that was born out of donor demand and influenced by their feedback. Fidelity Charitable®, an independent public charity, received \$69 million in digital asset donations in 2017, a ten-fold increase since 2016.

Though Fidelity Digital Assets started in the Blockchain Incubator at Fidelity and has now graduated from this group to become a stand-alone business, the incubator continues to research and experiment with blockchain and digital assets, expanding Fidelity’s knowledge and potential products/services, and also contributing to continued progress in the ecosystem.

For more information on Fidelity Digital Assets’ journey from incubator to business, read the story [here](#). To learn more or inquire about Fidelity Digital Assets and its offerings, go to www.fidelitydigitalassets.com.

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 \$7.2 trillion, including managed assets of \$2.6 trillion as of July 31, 2018, we focus on meeting the unique needs of a diverse set of customers: helping more than 27 million people invest their own life savings, 23,000 businesses manage employee benefit programs, as well as providing more than 12,500 financial advisory firms with investment and technology solutions to invest their own clients’ money. Privately held for 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>.

#

Fidelity, Fidelity Investments, and the Fidelity Investments & Pyramid Design logo are registered service marks of FMR LLC. Fidelity Digital Assets is a service mark of FMR LLC.

Fidelity Charitable is the brand name for Fidelity Investments® Charitable Gift Fund, an independent public charity with a donor-advised fund program. Fidelity Charitable is a registered service mark of FMR LLC, used by Fidelity Charitable under license.

Fidelity Digital Asset Services, LLC (“Fidelity Digital Assets”) is separate from Fidelity Brokerage Services LLC and National Financial Services, LLC.

Fidelity Brokerage Services LLC, Member NYSE, SIPC
900 Salem Street, Smithfield, RI 02917

Fidelity Investments Institutional Services Company, Inc.,
500 Salem Street, Smithfield, RI 02917

National Financial Services LLC, Member NYSE, SIPC,
200 Seaport Boulevard, Boston, MA 02110

862004.1.1

© 2018 FMR LLC.

ⁱ Greenwich Associates, “The Institutionalization of Cryptocurrency,” September 2018.

ⁱⁱ Fidelity Institutional Asset Management® conducted the Fidelity Global Institutional Investor Survey of institutional investors in 2018, including 905 investors in 25 countries including pensions, insurance companies and financial institutions. Assets under management represented by respondents totaled more than USD\$29 trillion. The surveys were executed in association with Strategic Insight, Inc. in North America and FT Remark, a Division of the Financial Times, in all other regions. CEOs, COOs, CFOs, and CIOs responded to an online questionnaire or telephone inquiry.