



FOR IMMEDIATE RELEASE

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

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

Nicole Goodnow
 (617) 563-3785
nicole.goodnow@fmr.com

Robert Beauregard
 (401) 292-7440
robert.beauregard@fmr.com

FIDELITY INVESTMENTS TAKES ANOTHER STRONG STEP TO PROVIDE INVESTORS UNPARALLELED VALUE

- *Customers Opening Brokerage & Retirement Accounts Automatically Directed to Higher Yielding Cash Options, While Retaining Choice*
- *This Investor Cash Automatically Earns 47x More than TD Ameritrade, 10x More than Charles Schwab and 27x more than E*TRADE Cash Sweeps¹*
- *One Year Later, Industry-Disrupting Fidelity ZERO Index Funds Grow to Nearly \$6 Billion in Assets*

BOSTON, Aug. 7, 2019 – [Fidelity Investments](https://www.fidelity.com)[®], the largest retirement and brokerage firm with nearly \$8 trillion in total client assets, today announced it has challenged conventional industry practices by automatically directing investors’ cash into higher yielding options available for brokerage and retirement accounts as well as providing product choice – all without any minimum requirements.

Fidelity’s approach is contrary to typical industry practices of defaulting customers’ cash into a low-yielding product – often at an affiliated bank – with no other option in what the industry calls a “cash sweep.” Recent customer research shows that many investors don’t focus on the rate paid on their cash when they open an account and, too often, they don’t take action later. Fidelity has made it easy for customers by automatically giving them the higher yielding option at account opening, while also providing other investment options for those customers who prefer it.

With Fidelity’s commitment to providing investors with unparalleled value and choice, cash investments at Fidelity could earn 47x more than TD Ameritrade, 10x more than Charles Schwab, and 27x more than E*TRADE cash sweeps (see table below).

	FIDELITY	SCHWAB	E*TRADE	TD AMERITRADE
Yield as of 8/5/2019 (Yield may vary due to market conditions)	Government Money Market Fund 7-day yield	Default Sweep APY		
	1.91%	0.18%	0.07%	0.04%

Figures show yield as of 8/5/19 (Yield may vary due to market conditions) see [Fidelity.com](https://www.fidelity.com) for more recent yields; The Fidelity fund yield is the average amount earned by the fund after expenses over the past 7 days, annualized as of the website published date indicated. The default sweep APYs are sourced from each firm’s website as of date indicated assuming a \$10,000 investment with a comparable brokerage account. APY is the amount of total interest earned on a bank product in one year. See additional important comparative details below.

¹ As of August 5, 2019.

“Some firms have removed the option of a higher yielding money market fund as an option for their cash sweep, thereby forcing investors to take additional steps to get a better rate for their cash,” said Kathleen Murphy, president of Fidelity Investments’ personal investing business. “By offering choice at account opening and directing cash into the higher yielding option when investors don’t make a choice, we are once again ensuring clients receive more value with Fidelity. It is unfortunate that millions of investors lose out on having money in these accounts earn more for them based on current industry practices.”

The below chart demonstrates hypothetically how an investor’s cash invested in a Fidelity money market fund compares with prevailing sweep accounts annually, based on current published yields.

	Fidelity Investments 1.91%	TD Ameritrade 0.04% -- 0.07%*		Charles Schwab 0.18%	
	Fidelity Government Money Market Fund 7-Day Yield	Default Sweep APY			
	Earned Annually	Earned Annually	Annualized Lost Opportunity	Earned Annually	Annualized Lost Opportunity
\$10,000	\$191	\$4	\$187	\$18	\$173
\$50,000	\$955	\$25	\$930	\$90	\$865
\$100,000	\$1,910	\$70	\$1,840	\$180	\$1,730

Current yield as of 8/5/19. (Yields may vary due to market conditions.) Examples are hypothetical, for illustrative purposes only, and are a simple calculation of the annualized yield assuming each level of investment.

**For TD Ameritrade: .04% for \$10,000, .05% for \$50,000 and .07% for \$100,000*

If you think about this for the long-term, the lost opportunity to investors would be in the tens of thousands of dollars.

“We continually focus on providing greater value to our customers. And today’s announcement builds on a long record of disrupting industry practices to benefit investors, including the introduction of Fidelity ZERO Funds, the price cuts on our index funds and our removal of investment and account minimums on retail brokerage accounts,” said Murphy. “Fidelity is committed to enhancing the value we can provide our customers and not simply following industry practices that just don’t benefit investors.”

In 2018, Fidelity announced several [groundbreaking enhancements](#) to deliver significant value to investors. Since then, customers have saved an estimated \$31 million from Fidelity's index fund repricing and the removal of domestic money movement fees.¹ In addition, investors are taking advantage of Fidelity's ZERO Index Funds with assets growing to \$5.7 billionⁱⁱ while the overall index funds assets have grown to \$519 billion (up 25% since 7/31/18). Fidelity continues to build on that industry leading offering with the recent launch of [five equity index funds](#) priced lower than comparable Vanguard and some of the lowest cost target date index funds.²

#

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 \$7.7 trillion, including managed assets of \$2.8 trillion as of June 30, 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>.

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit [Fidelity.com/performance](https://www.fidelity.com/performance) for most recent month-end performance.

When you open a retail Fidelity Brokerage Account, your cash goes into the Fidelity Government Money Market Fund, unless you choose another cash option. The Fidelity fund yield is the average amount earned by the fund after expenses over the past 7 days, annualized as of the website published date indicated. You should know that money market funds have different characteristics than bank sweep products and savings accounts; read the fund's prospectus carefully. An important difference is that bank sweep products have FDIC protection, which guarantees principal and interest within limits. For further info, see [Fidelity.com/why-fidelity/safeguarding-your-accounts](https://www.fidelity.com/why-fidelity/safeguarding-your-accounts). The default sweep APYs shown are sourced from each firm's website as of the published date indicated assuming a \$10,000, \$50,000 or \$100,000 investment with comparable brokerage accounts. APY is the amount of total interest earned on a bank product in one year. Please consider each type of account and each product carefully, as there are differences.

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. The fund will not impose a fee upon the sale of your shares or temporarily suspend your ability to sell shares if the fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

² Net expense ratios as of 8/6/19. Source: Morningstar

Zero account minimums and zero account fees apply to Fidelity Brokerage Accounts only. Expenses charged by investments and commissions, interest charges, or other expenses for transactions may still apply. See [Fidelity.com/cashvalue](https://www.fidelity.com/cashvalue) for further details; certain exclusions apply.

Fidelity, Fidelity Investments, Fidelity Investments and the pyramid logo, are registered service marks of FMR LLC.

The third-party trademarks appearing herein are the property of their respective owners.

Investing in stock involves risks, including the loss of principal.

Before investing, consider the investment's objectives, risks, charges, and expenses. Contact Fidelity for a prospectus containing this information. Read it carefully.

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

895150.1.0

© 2019 FMR LLC. All rights reserved.

ⁱ August 2018 – June 2019.

ⁱⁱ As of June 30, 2019.