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**COMPETITION FOR BROKERS INTENSIFYING,  
ACCORDING TO FIDELITY INVESTMENTS AND NATIONAL FINANCIAL SURVEY**

**Study Finds One-Third of Brokers Have Already Been Offered Incentives to Switch Firms**

BOSTON, November 10, 2008 -- Unprecedented market events of the last couple of months have significantly accelerated the trend of U.S. brokers considering going independent and intensified competition for top producers, according to a new survey by Fidelity Investments and National Financial.

According to the survey, more than one-third (36 percent) of brokers have recently considered either starting their own firm or joining an independent broker-dealer or registered investment advisor (RIA) firm. Additionally, 34 percent of all brokers indicate they have already been offered a sign-on bonus to switch firms. Brokers at wirehouses and regional firms report the highest percentage (46 percent) of sign-on bonuses. Moreover, 27 percent of all brokers -- 39 percent among wirehouse and regional firms -- still expect to be offered an incentive to switch firms within the next month.

“Recruiting top producing brokers is a zero-sum game, which is intensifying as brokers, many of whom would not have been in play a year ago, now consider moving,” said Sandy Metraux, executive vice president, National Financial. “Broker-dealer firms and RIAs understand that in the current market environment attracting top brokers and advisors can be a critical component to their business growth efforts, as loyal high-net worth clients may often follow their trusted advisors.”

**Brokers Expect Clients to Follow**

Despite an environment where the majority (69 percent) of brokers report their firms have been affected by the recent market volatility, with impact ranging from mergers and acquisitions to large-scale financial write-offs, 61 percent believe that investor confidence in the health of their firm is the same or higher than one year ago. This confidence demonstrates the value of brokers to their customers, and, ultimately, to other firms in this market environment. According to the survey, brokers believe that -- if they were to go independent -- 60 percent of their clients, on average, would follow them to their new firm, with 31 percent saying that they would expect three-quarters or more to follow.

“With the unprecedented events on Wall Street in the past couple of months, we are seeing brokers evaluate the independent model at a very rapid pace,” said Gail Graham, executive vice president, Fidelity Institutional Wealth Services<sup>SM</sup>. “For example, earlier this year, we were receiving about four to five visits a week from broker teams. Now we are meeting with significantly more than that. This increase is the result of a combination of factors, such as a dramatic decrease in the value of brokers’ long-term compensation and end investors continuing to express the need for independent, objective advice to help them navigate these turbulent markets.”

For firms looking to recruit brokers who may go independent, the survey reveals that more than three-quarters (77 percent) would choose to join an existing firm versus starting their own firm -- consistent with findings from the 2007 National Financial Broker and Advisor Sentiment Index<sup>SM</sup>.

“National Financial and Fidelity are making significant investments in our offerings to both support our clients’ efforts to attract top talent and help those individuals or teams who are making the transition, whether that transition is joining an existing firm or setting up their own practice,” said Metraux.

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National Financial's program to assist its broker-dealer clients with their recruiting efforts started in late 2007 and continues to gain strong momentum. In the last few months, National Financial has seen a significant increase in the number of requests for recruiting support and a key component to this program includes a lead flow process. In the third quarter of this year, National Financial received more than 160 inquiries from brokers interested in joining one of its broker-dealer client firms.

Fifty-nine brokers, bringing more than \$9 billion in assets, selected Fidelity as the custodian for their newly established independent RIA firms during the first nine months of 2008. This is more than double the assets received by Fidelity from newly independent RIAs during all of 2007.

### **About the Fidelity and National Financial Broker Attitude Research**

The Fidelity and National Financial Broker Attitude Research was conducted online within the United States by Harris Interactive on behalf of Fidelity and National Financial between September 29 and October 8, 2008 among 127 producing financial advisors currently working at national wirehouses, regional brokerages, insurance broker-dealers, or bank broker-dealers. These advisors volunteered to be part of the Harris Interactive Financial Advisor Intermediary Panel but the panel has been constructed to represent all brokers employed at U.S. national wirehouses, regional brokerages, insurance and bank broker-dealers. Data for this survey were collected by Harris Interactive on behalf of Fidelity; Fidelity was responsible for the data analysis and reporting.

### **About Fidelity Institutional Wealth Services**

Fidelity Institutional Wealth Services is a leading provider of trading, custody and brokerage services to Registered Investment Advisors, Trust Institutions and Third Party Administrators. The company is able to leverage the capital, resources and expertise of the Fidelity organization, one of the world's largest financial services companies, on behalf of its clients. This includes access to a comprehensive set of products and services, innovative investment tools and research, an integrated brokerage and trust platform, and dedicated client service professionals -- all designed to help its clients thrive by growing their businesses, more effectively meeting customer needs, and enhancing operational efficiency and profitability. Fidelity Institutional Wealth Services custodies more than \$335 billion in assets on behalf of over 3,500 clients, as of September 30, 2008. For more information about Fidelity Institutional Wealth Services, please visit <http://fiws.fidelity.com>.

**About National Financial**

National Financial, a Fidelity Investments company, offers Integrated Brokerage Solutions<sup>®</sup> to over 310 clients ranging from retail broker/dealers to institutional investment firms. Collectively, there are over 85,000 brokers and advisors associated with National Financial correspondent broker-dealers. As of September 30, 2008, National Financial custodied \$600 billion in assets, representing 5.5 million accounts. Integrated Brokerage Solutions incorporates innovative technology, products and programs, supported by dedicated client service professionals and trusted industry alliances. This holistic, solutions-oriented approach is designed to help client firms attain competitive advantage by driving growth, creating efficiency and managing risk. For more information about National Financial and Integrated Brokerage Solutions, please visit [www.nationalfinancial.com](http://www.nationalfinancial.com).

**About Fidelity Investments**

Fidelity Investments is one of the world's largest providers of financial services, with custodied assets of \$3.0 trillion, including managed assets of \$1.4 trillion as of September 30, 2008. Fidelity offers investment management, retirement planning, brokerage, and human resources and benefits outsourcing services to 24 million individuals and institutions as well as through 5,500 financial intermediary firms. The firm is the largest mutual fund company in the United States, the No. 1 provider of workplace retirement savings plans, the largest mutual fund supermarket and a leading online brokerage firm. For more information about Fidelity Investments, visit [www.fidelity.com](http://www.fidelity.com).

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