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**FIDELITY ANNOUNCES NEW RELATIONSHIP TO PROVIDE WEALTH MANAGEMENT FIRMS ACCESS TO CAPITAL FOR ACQUISITIONS AND OTHER GROWTH-FOCUSED INITIATIVES**

*With the average transaction size in wealth management M&A increasing 30% in the past year, Fidelity Clearing & Custody Solutions will work with Merchant Investment Management to help firms drive growth and scale in an increasingly concentrated market*

BOSTON, June 10, 2019 -- Fidelity Clearing & Custody Solutions®, the division of Fidelity Investments® that provides clearing and custody to registered investment advisors (RIAs), broker-dealer firms, family offices, retirement recordkeepers and banks, today announced a strategic relationship with Merchant Investment Management (Merchant). For wealth management firms looking to grow and advance their offerings, the alignment with Merchant will increase access to a range of offerings and services, including access to Merchant's lending solutions with a discounted origination fee for firms that custody assets with Fidelity.

"Today's most competitive and future-ready firms are achieving scale through M&A. By our count, there are over 700 RIAs that manage over \$1B, and they're often doing so with national footprints. But it takes capital to create scale – and with the average deal size increasing three-fold in the past five years, access to that capital can sometimes be a roadblock," says David Canter, head of the RIA segment at Fidelity Clearing & Custody Solutions. "Lending solutions like this one are a game-changer for firms looking to make strategic acquisitions to create long-term, sustainable value."

In addition to discounted access to capital, Merchant offers Fidelity's custody clients reduced rates to several capabilities offered through the Merchant family of companies, including Advisor Assist, which offers a robust suite of compliance solutions, and Compass, which provides outsourced CFO and accounting services for advisory firms.

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“We set out to create a credit offering that is focused on speed, collaboration, and flexibility. The industry is experiencing a massive amount of change, and it’s exciting to help the firms we work with institutionalize and grow,” said Marc Spilker, Executive Chairman of Merchant Investment Management. “Fidelity’s connectivity with leading independent wealth management firms gives us the opportunity to create meaningful growth opportunities for those organizations.”

As bigger and more capitalized firms are able to build businesses that have long-term, sustainable value, M&A continues to be a key component of growth for wealth management firms. Though the number of deals in the RIA channel was down slightly in 2018, the size of those transactions grew significantly, causing more competition and consolidation at the upper end of the market. In fact, out of 88 transactions, the 10 largest RIA deals by assets accounted for more than half (59 percent) of the total transaction AUM in 2018. And compared to April 2018, April 2019 RIA transactions increased by 83 percent, with total assets in transition up 201 percent.

Merchant will provide education around capital resources and strategies at Fidelity’s Inside Track conference series.

### **About Merchant**

Merchant is a private partnership providing growth capital, management resources, strategic opportunities and direction to independent financial services companies, particularly those focused on wealth and asset management. By establishing and optimizing business infrastructure, providing access to organic and inorganic growth opportunities, designing and accessing bespoke investment solutions and providing collaborative capital solutions to address a variety of business needs, Merchant helps unlock value and entrepreneurial opportunity for business owners. To learn more about Merchant and the Merchant team, please visit our website at [www.merchantim.com](http://www.merchantim.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 \$7.6 trillion, including managed assets of \$2.7 trillion as of April 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>.

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Merchant is an independent entity and not affiliated with Fidelity Investments.

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