

FIDELITY INSTITUTIONAL®

The Bull Market for Advice

The shifting focus from valuables to values

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David Canter

Head of RIA and Family Office Segments

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A Bull Market for Advice ...

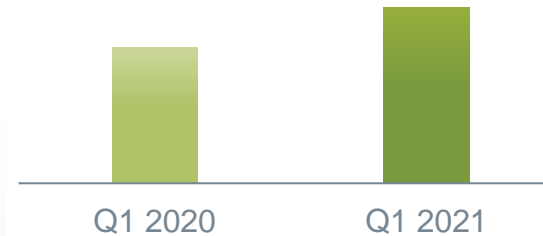
Industry Growth

\$136.9T

Household wealth increased significantly during the pandemic, reaching a record **\$136.9T** in Q1.¹



Equity markets have also contributed, with the **S&P 500 returning 16.3%** in 2020 and **another 13%** as of 6/30/21.



FI Custody new account volume hit a record in 2020, and new accounts have **increased 28.3%** year-over-year.²

31% of world's UHNW³ individuals reside in the U.S.⁴

68% of UHNW are self-made and the number of UHNW individuals is expected to grow over

33% by 2023.⁴

These factors are leading to an increased demand for advice, particularly in the RIA space.

¹ Federal Reserve Report, June 2021.

² As of June 30, 2021.

³ Ultra-high-net worth individuals have at least \$30 in net assets. Source: Wealth-X, Ultra Wealthy Population Analysis: The World Ultra Wealth Report 2019.

⁴ The Investment Adviser Association and National Regulatory Services 2020 Evolution Revolution report.

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RIA Evolution By the Numbers

13,494
Total Number of RIAs

\$1B RIAs	\$5B RIAs	\$10B RIAs
851	166	76
6.30%	1.20%	0.06%

Source: The Investment Adviser Association and National Regulatory Services.

RIAs serve
42M+ clients¹

95% are individual clients

83.3% are non-HNW

\$12.8T managed for
individuals

73.2% have Regulatory AUM
attributable to Separately
Managed Account clients

Aggregate
Regulatory AUM
\$97.2T¹
(+16.2% from 2019)

¹ The Investment Adviser Association and National Regulatory Services 2020 Evolution Revolution report

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Macro Environment

Socioeconomic tremors

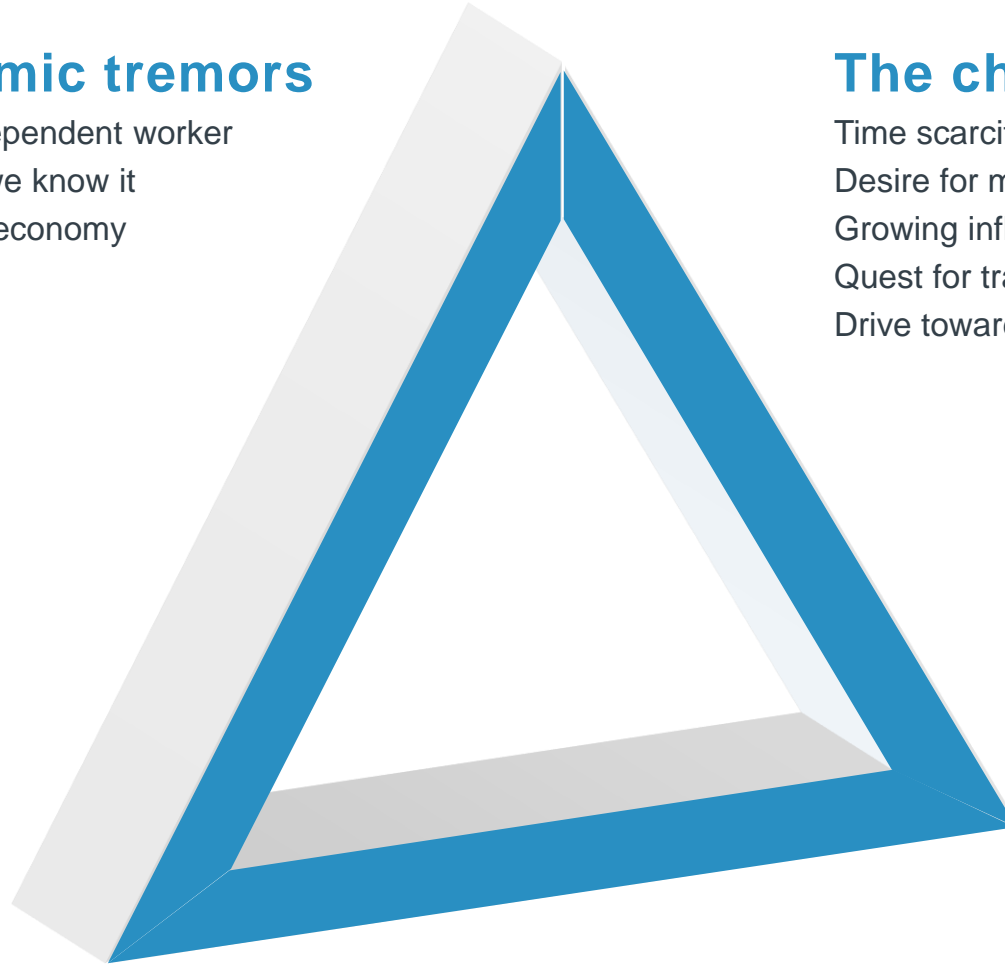
The growth of the independent worker
End of retirement as we know it
Rise of the intangible economy
Talent crunch
Centenarian boom
COVID-19

The changing customer

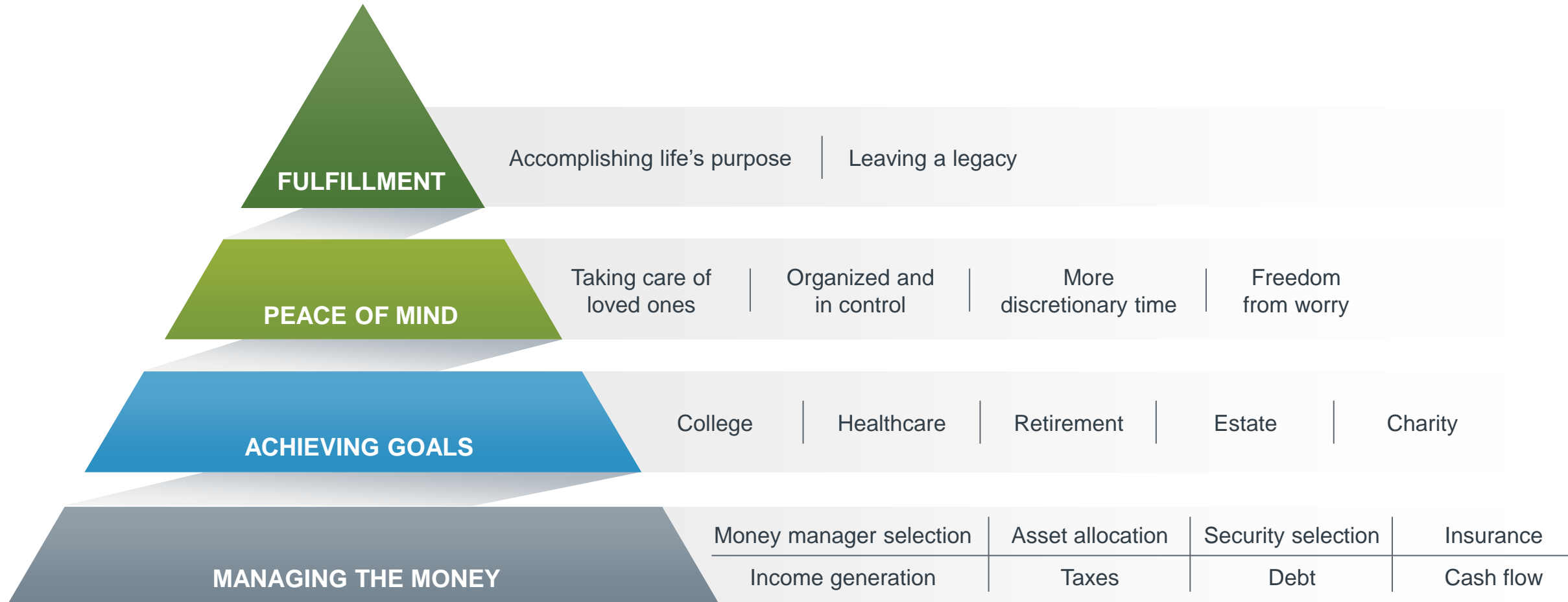
Time scarcity
Desire for meaningful experiences
Growing influence of women
Quest for transparency
Drive toward purpose

Business & technology transformation

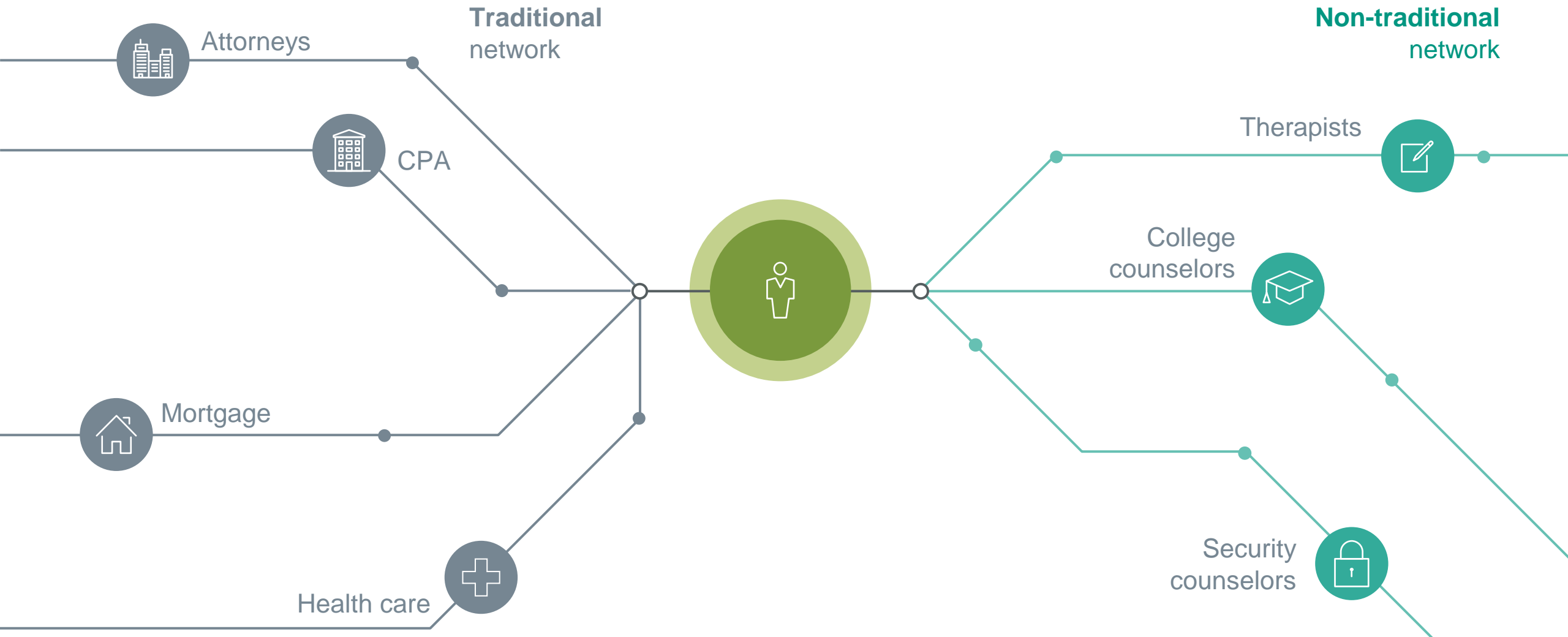
Role of data
Impact of artificial intelligence
Platform emergence
Market concentration
Fintech boom
Evolving regulatory environment
The arrival of digital assets



The Advice Value Stack®



Your Firm's Networks and Communities



Greater focus on values not just valuables

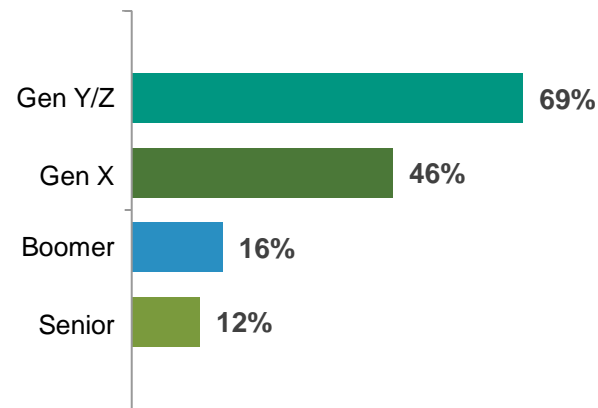
Millennials Believe Corporations Should also Focus on¹:

- ✓ **MAKING A POSITIVE IMPACT** on society and the environment
- ✓ **CREATING INNOVATIVE** ideas, products, and services
- ✓ **IMPROVING PEOPLES LIVES** through job creation and career development
- ✓ **EMPHASIZING** inclusion and diversity in the workplace

Investors Want Advisors Who Offer Investing Opportunities Aligned with Values²:

1 IN 3 INVESTORS are willing to pay for an advisor who offers more socially responsible or Environmental, Social, and Corporate Governance (ESG) investing

YOUNGER GENERATIONS are most likely to pay for an advisor offering these



Pandemic Impact on Investors' Planned Charitable Giving³:

46% OF MILLENNIALS AND 25% OF GEN X plan to give more in response to the pandemic

A QUARTER OF DONORS say they will give to different organizations as a result of the pandemic

ONE-THIRD OF RESPONDENTS say they don't have the information they need to understand where they can direct their support effectively

Why do you anticipate donating more to nonprofit organizations in 2020 in light of COVID-19?
Select all that apply.

- 63%** The need is so great
- 61%** I want to help out
- 46%** My community is suffering
- 42%** I will give to additional nonprofits that are directly helping with coronavirus

¹ 2018 Deloitte Millennial Survey.

² 2021 Fidelity Investor Insights Study.

³ Fidelity Charitable COVID-19 and philanthropy study.

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Because the world is changing, we can never assume that the way we have done things in the past is adequate for the future.

– Yvon Chouinard, Founder, Patagonia

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The 2021 Fidelity Investor Insights Study was conducted during the period May 15th through June 7th, 2021. It surveyed a total of 1,974 investors, including 773 Millionaires. The study was conducted via an online survey, with the sample provided by Brookmark, a third-party firm not affiliated with Fidelity. Respondents were screened for a minimum level of \$50K in investable assets (excluding retirement assets and primary residence), with additional quotas by age, decision-making status, income and affluence levels.

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