



ADVISER FUND UPDATE

Market Summary and Commentary for Individual Investors from Adviser Investments



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Fidelity Names New President

In a move that clarifies Fidelity's succession plan, Abigail Johnson was appointed president of Fidelity Financial Services, which places her directly in control of the firm's core businesses, from mutual funds to brokerage to retirement services and asset management.

- Fidelity Names New President

Fund shareholders should not notice any impact on their investments. That said, this is big news for Fidelity, indicating the direction the firm will take in the years to come.

More than two years ago, when former Fidelity President Rodger Lawson announced his retirement, we speculated on who would be named Fidelity's next "number one." It took longer than expected, but the most likely candidate, Johnson, a 24-year Fidelity veteran, daughter of current Chairman and CEO Ned Johnson and granddaughter of firm founder Edward Johnson II, has finally taken the next step toward the role we believe she's been groomed for over the last few decades.

Johnson, 50, will still be reporting to her father, who celebrated his 82nd birthday in June, but we think he will be taking on more of a listening and counseling role as part of an eventual transition for her to replace him. She is highly capable, well respected in the industry and within the firm, and knows Fidelity's various businesses inside and out, having served in numerous capacities across the company. Her roles have included intern, analyst and fund manager (Dividend Growth), as well as leadership positions in the brokerage, mutual fund and retirement divisions.

As president, Johnson will be responsible for Fidelity's overall mission and product line. In this, she'll be assisted by Ron O'Hanley, president of Asset Management and Corporate Services, who has been running that half of the business since 2010 and was a counterpart to Johnson in her previous role as head of all of Fidelity's client-focused departments. O'Hanley will now report to Johnson--the two will be the oars that propel Fidelity's ship forward.

Johnson will face many challenges, as over the last few years

Fidelity has been overtaken in assets by Vanguard and PIMCO, investor confidence and market volatility have taken their toll on fund flows, while regulatory hurdles have moved higher. We feel she and Fidelity are well-equipped to handle those challenges and will keep the firm a top breeder of talented managers and quality funds.

If you'd like to read more about Abigail Johnson's promotion, [please click here to visit Adviser Investments' News page](#), where you'll find a number of articles quoting Chief Investment Officer and Fidelity Strategist Jim Lowell on the subject.

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