



NEWS RELEASE

Fidelity Institutional® Announces Access to New Cybersecurity Solution for Wealth Management Firms

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New 3rd-Party Solution Provides Comprehensive Email Protection for Firms and their Clients

BOSTON--(BUSINESS WIRE)-- Fidelity Institutional®, the division of Fidelity Investments dedicated to providing technology, solutions and insights to wealth management firms and institutions, today announced access to a new third-party cybersecurity offering provided by SaaS cybersecurity company, Armorblox, to better protect advisors and their end clients' business email from fraudulent activity. Business email compromise and email account compromise was the top cybercrime reported to the FBI in 2020 in terms of financial loss at approximately \$2.1 billion, and this enhanced solution helps address this growing concern across the industry.

Armorblox's technology analyzes client emails and identifies problematic risk behavior. Armorblox uses advanced algorithms like natural language understanding, machine learning, and other artificial intelligence techniques to analyze thousands of data points and help prevent sophisticated email threats. With this solution, Armorblox can alert advisors of fraudulent emails, helping to protect them and their end clients from future risk.

"A robust cybersecurity program is critical not only to advisors' business operations, but also to maintaining the trust they have worked so hard to build with their clients," said Scott Slater, vice president of practice management & consulting, Fidelity Institutional. "Access to this cybersecurity offering allows us to provide even greater value for our advisor clients, while allowing them to provide peace of mind for their end clients."

According to a recent Fidelity studyⁱⁱ, 67% of advisors say that the COVID-19 crisis has prompted their firms to revisit and update their cybersecurity protocols regarding using technology virtually, and 40% of advisors say that compliance, risk monitoring, and cybersecurity technology platforms became more valuable during the COVID-19 crisis. Fidelity's 2021 Investor Insights Study shows that more than half (58%) of advised investors said they would switch financial advisors if there was any report of cybercrime or security breaches into customer accounts at their

advisory firm.iii

Advisor outsourcing has also increased over the past three years.iv Roughly one-quarter (24%) of advisors surveyed by Fidelity outsource IT, tech, platform development, or cybersecurity entirely to third-party firms. The primary reason for outsourcing IT, tech, platform development, or cybersecurity is due to a lack of internal expertise in this area (46%) followed by a desire for optimized overall firm efficiency or productivity (37%), better cost effectiveness (33%) and reduced risk to the firm (32%). Sixty-nine percent of advisors successfully outsourced IT, tech, platform development, or cybersecurity, citing that it saved the firm time, helped optimize efficiency, and resulted in excellent service quality.

“Financial advisors are continuously faced with email fraud that targets humans and workflows rather than any security system,” said DJ Sampath, co-founder and CEO at Armorblox. “By understanding the context of these emails like a human would, Armorblox protects users from potential risk like the loss of money or sensitive data. Our work with Fidelity strives to provide greater benefit to the advisor community and their end clients.”

Fidelity believes in making strong investments in technology enterprise-wide, leveraging its scale to develop new capabilities that help meet the distinct needs of each of its clients. Securing access to this cybersecurity offering allows Fidelity to deepen existing client relationships. For more information, advisors can contact their Fidelity relationship manager.

About Armorblox

Armorblox secures enterprise communications over email and other cloud office applications with the power of Natural Language Understanding. The Armorblox platform connects over APIs and analyzes thousands of signals to understand the context of communications and protect people and data from compromise. Over 56,000 organizations use Armorblox to stop BEC and targeted phishing attacks, protect sensitive PII and PCI, and automate remediation of user-reported email threats. Armorblox was featured in the 2019 Forbes AI 50 list and was named a 2020 Gartner Cool Vendor in Cloud Office Security. Founded in 2017, Armorblox is headquartered in Sunnyvale, CA and backed by General Catalyst and Next47. To learn more, visit <https://www.armorblox.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 \$11.2 trillion, including discretionary assets of \$4.2 trillion as of July 31, 2021, we focus on meeting the unique needs of a diverse set of customers: helping more than 38 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 wealth management firms and institutions with investment and technology solutions to drive growth.

Privately held for 75 years, Fidelity employs more than 52,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about-fidelity/our-company>.

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i 2020 FBI Internet Crime Report. [IC3.gov](https://www.ic3.gov)

ii The 2020 Fidelity Financial Advisor Community COVID Series - Technology Study. The study was an online blind survey (Fidelity not identified) and was fielded during the period July 10th thru July 16th, 2020. Participants included 422 advisors who manage or advise upon client assets either individually or as a team and work primarily with individual investors. Advisor firm types included a mix of banks, independent broker-dealers, insurance companies, regional broker-dealers, RIAs, and national brokerage firms (commonly referred to as wirehouses), with findings weighted to reflect industry composition. The study was conducted by an independent firm not affiliated with Fidelity Investments.

iii 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.

iv The 2021 Fidelity Financial Advisor Community – Outsourcing Survey. The study was an online blind survey (Fidelity not identified) and was fielded during the period April 21 thru April 30th, 2021. Participants included 451 advisors who manage or advise upon client assets either individually or as a team, and work primarily with individual investors. Advisor firm types included a mix of banks, independent broker-dealers, insurance companies, regional broker-dealers, RIAs, and national brokerage firms (commonly referred to as wirehouses), with findings weighted to reflect industry composition. The study was conducted by an independent firm not affiliated with Fidelity Investments.

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