



NEWS RELEASE

## Remembering Edward C. Johnson 3d

3/24/2022

BOSTON--(BUSINESS WIRE)-- The Fidelity Investments family is deeply saddened to announce the passing of its former chief executive and chairman, Edward C. "Ned" Johnson 3d. Mr. Johnson, 91, died peacefully on March 23, 2022, surrounded by his loving family.

In a statement, his wife, Elizabeth B. (Lillie) Johnson, and their three children, Abigail, Elizabeth, and Edward, said, "Our family mourns the passing of an extraordinary father, grandfather, and husband. We are immensely proud of his achievements and grateful for his life. He was a visionary, an innovator, and a philanthropist who had tremendous curiosity about the world around him and who lived his life to the fullest each and every day. To the end, he never lost his enthusiasm, his sense of humor, or his energetic spirit."

At the helm of Fidelity for more than 40 years, Mr. Johnson oversaw its transformation from a small, regional mutual fund company into one of the world's largest and most successful diversified financial services firms. Through his vision of making investment products and services accessible and affordable to average Americans, he helped spur the explosive growth of personal investing over the past four decades.

Mr. Johnson's stewardship of Fidelity has few equals in American business. When he became its president in 1972, it had \$3.9 billion in assets under management. When he retired as chairman in 2016, the company had \$2.1 trillion in assets under management and \$5.7 trillion in assets under administration.

Mr. Johnson defied the conventional wisdom for how a financial services company should best serve its customers. From direct marketing of money market funds to the trailblazing use of the Internet to innovations in retirement accounts and charitable giving, he refashioned the industry into a more dynamic, more egalitarian marketplace.

Edward C. Johnson 3d was born in 1930 in Boston, raised in the suburb of Milton, Massachusetts, and graduated from Harvard College in 1954. Three years later, he joined Fidelity Management & Research Company (FMR Co.),

which would eventually become part of Fidelity Investments. Mr. Johnson's father, Edward C. Johnson 2d, founded the company in 1946.

Ned Johnson proved himself to be a gifted stock picker, and, as an analyst and portfolio manager, he developed habits that would inform his managerial style for the rest of his career. He never relied on one source or one opinion and always sought alternative ways of solving business challenges. Working with his father, he was instrumental in the establishment of an overseas business to sell securities to foreign nationals. He also became fascinated in how technology could transform the way people invested, which led to Fidelity's development of data and computing capabilities that were far beyond those of its competitors. Spurning traditional partners and vendors, Fidelity did its own customer servicing and administration, which helped fuel its growth in the coming years.

Mr. Johnson succeeded his father to become Fidelity's president in 1972, just as the stock market was entering a lengthy bear market. At the time, Fidelity's entire product line consisted mostly of 18 stock-based mutual funds, so bold action was required. The company made shrewd investments in Boston's commercial real estate market while also creating a highly profitable venture capital division. Mr. Johnson launched a money market mutual fund (Fidelity Daily Income Trust), which was Fidelity's first retail product offered directly to individual investors. Its check-writing capabilities were revolutionary, and defying predictions that it could bankrupt the company, it was a huge success.

Mr. Johnson began to build, piece by piece, a diversified financial services enterprise. In the early '80s, as the stock market began a long period of growth, he parlayed the same basic idea he used with money market funds to democratize the world of investing. Fidelity became the first to enter the market for supplying discount brokerage services to individuals and advisors, and it was the first to roll out a toll-free telephone number for customers who wanted to ask questions or invest by phone. Fidelity developed an expansive suite of retirement products and planning services for individuals and institutions, and, in 1995, it was the first fund company to establish a homepage on the worldwide web.

Under Mr. Johnson, Fidelity became an early leader in the "defined contribution" 401(k) savings system, which now forms the foundation of retirement readiness for millions of Americans. Highlighting Mr. Johnson's customer-first ethos, Fidelity also offered an "open architecture" retail brokerage platform, which offers competitors' products alongside Fidelity's own funds. To help more Americans make philanthropy an integral part of their financial lives, in 1991 Mr. Johnson created the Fidelity Charitable Gift Fund (later shortened to Fidelity Charitable), the first national donor-advised fund.

As Fidelity grew, so too did its geographic footprint, with additional sites in Texas, Utah, Kentucky, New York/New Jersey, New Hampshire, Rhode Island, North Carolina, and other U.S. locations—as well as in India, Ireland, and

China.

Mr. Johnson traveled widely and developed a deep affinity for Asian culture, using kaizen, or the practice of making continuous small improvements, as one of his central management philosophies.

Mr. Johnson passionately, though anonymously, devoted himself to many philanthropic activities, and he was a major donor to the Peabody Essex Museum in Salem, MA and the Museum of Fine Arts Boston.

Part of Fidelity's success, Mr. Johnson believed, centered on keeping the company private so it could act in the long-term interests of the businesses and its customers -- and that philosophy is shared by his successor and eldest daughter, Abby. She assumed the presidency of Fidelity in 2013 and succeeded her father as chief executive in 2014 and as chairman in 2016.

Ned Johnson will be remembered as one of the primary architects of the modern financial services industry, and thanks to his vision and determination, millions of Americans have amassed trillions of dollars in wealth in the financial markets.

In a 2002 interview, Mr. Johnson's close colleague, William Byrnes, was asked what drove Ned Johnson. Mr. Byrnes replied, "Success in the form of creating. Creating something, taking an idea, nourishing it, and then seeing it succeed. Not for verbal applause, certainly not publicity. He's not seeking press accolades, that's for sure. It's just some innate driving force, a great spark, great drive, and I think it's just something that is within him."

Mr. Johnson held honorary degrees from Bentley University, Boston University, Northeastern University, and Hobart and William Smith Colleges. In 1995, he was inducted into the Babson College Academy of Distinguished Entrepreneurs. He was an elected fellow of the American Academy of Arts and Sciences and the American Antiquarian Society.

Mr. Johnson was a world traveler and avid collector of art including fine furniture, decorative arts, and paintings. He was a connoisseur of Asian art and frequently loaned pieces from his collection to local and national museums for the public to experience.

In his personal time, Mr. Johnson enjoyed skiing, sailing, and playing tennis. A fixer and a tinkerer, he took pleasure in understanding the intricacies of how things worked and often could be found disassembling and reassembling objects to better understand their inner mechanisms. His insatiable curiosity drove him to acquire knowledge on a wide variety of topics and he was always willing to have in-depth conversations on nearly any subject and to share his learnings with others.

He is survived by his wife Elizabeth (Lillie), his three children Abigail (Abby), Elizabeth (Beth) and Edward and his 7 grandchildren. Funeral arrangements are private. A memorial service will be announced at a later date.

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