According to the Boston Globe this morning, Fidelity Investments made a few large investments in social media during the first quarter of this year. It is reported that William Danoff, the manager of Fidelity's Contrafund - it's biggest and very popular fund - has invested $74 million in Facebook Class B common shares and $82 million in Zynga convertible preferred stock. Danoff has managed the $80 billion Fidelity Contrafund since September 1990.

In the article, "Vincent Loporchio, a spokesman for Fidelity, said more than 30 of its funds held Facebook shares as of April 30. No fund had more than 0.15 percent of its assets invested in Facebook, said Loporchio, who declined to comment further."

This is certainly no surprise as large funds have been dying to get their hands on the red hot shares of these social media companies, but it does mark a scary trend.

These secondary markets are not regulated at all by the SEC, and most funds have avoided these privately traded stocks for years. These markets can be extremely volatile and guess what is going to be first to crash, once this said "bubble" we are in either pops or deflates?

I certainly like this move, historically these markets have proven to be extremely valuable leading up to the company's IPO's but again can be very risky. The fund also has a $5.3 billion stake in Apple Inc. and $3.8 billion in Google Inc.

Having that said, being a Fidelity alum I have money in the Contrafund and dig the investment.
Fidelity Invests $74 Million in Facebook & $82 Million in Zynga

Agios Files for IPO, Plans to Raise $86 Million

Gillis Bernard

Comments

Type @ and a user's name to tag them in a comment

Notify me of follow-up comments via email

Get the BostInno Newsletter

Chris Rohland gave +1 to an article
Changes Are Coming to Channels: Don't Miss...

Kevin McCarthy gave +1 to an article
Hill Holliday Tapped for Cadillac...

Kristin Maguire gave +1 to an article
The Brilliance of Snapchat: Confessions of a Former...

Christian Galvin commented on
Sorry, But Consumers Don't Want Your Mobile...

That headline goes against virtually every report on the subject, other than the “hundreds of...

Nicholas Napp commented on
Tesla Electric Car Continues to Spark Controversy in...
How exactly does protecting the existing system protect consumers? Does anyone actually like...

Michael Troiano commented on
Great Innovative Eight: Introducing Our 2013...
Thanks, Laurisa! Great organization, great event.

Scott Kennedy gave +1 to an article
This Boston Startup Wants to Wash Your Car While You're at the...

Amir Goldberg commented on
Mobiquity Raises $12 Million Series B for Enterprise...
It is really a very good time to join Mobiquity as it is rapidly expanding in many regions and...

Brendan Kearney gave +1 to an article
This Boston Startup Wants to Wash Your Car While You're at the...

Mike Volpe received +1 from Gregory Gomer
Backupify Has a Plan to Beat HubSpot at Recruitment: Referrals for...
If you want, HubSpot will send all $30k to the charity of your choice, or any portion you want. ...

Member Channels

Top Members

Fidelity Invests $74 Million in Facebook & $82 Million in Zynga | BostInno