

Fidelity markdown suggests Snapchat is overvalued

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Snapchat Inc. is the latest startup to fall victim to fears that investors have become overzealous in valuing privately held technology companies.

Fidelity Investments, which invested in Snapchat's \$538 million funding round closed in May, has lowered its estimate of how much its stake is worth by more than 25 percent since then.

Documents posted online by Fidelity show that \$35.2 million worth of Snapchat shares it held across three [mutual funds](#) since at least March were marked down over the summer to \$26.3 billion. That's a 25.4 percent drop, to \$22.91 per share from \$30.72 per share.

The change implies Los Angeles-based Snapchat as a whole is worth about \$12 billion, down from \$16 billion during the May financing.

The Financial Times first reported the news, citing data from Morningstar.

Snapchat and Fidelity did not respond to requests for comment.

It's unclear what triggered the markdown, though Snapchat is still a long way from proving it can be a tech money maker.

Valuation concerns have also seen mutual investors mark down holdings in startups such as Dropbox. But to be sure, the wave isn't across the

board. Fidelity has marked up the value of shares in ride-hailing app Uber Technologies Inc. by about 20 percent since spring.

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