

# How much you pay for your bond trades



## SUMMARY OF THE REGULATION

In May 2018, all broker-dealers were required to begin disclosing mark-up/down information on trade confirmations<sup>1</sup> for certain qualifying<sup>2</sup> bond transactions. As a result, clients have greater insight into how much their broker-dealers charge.

## HOW FIDELITY CAN HELP

Fidelity consistently strives to provide value and transparency to your bond and cd investing experience. That is why we have, for many years, shown how much we charge per bond online, separate from the price that is offered or bid in the marketplace. If you buy or sell bonds at other brokerage firms, take a closer look at your confirmation statement, to understand how much you are being charged. The facts may surprise you. To learn more, please visit [www.fidelity.com/go/bond](http://www.fidelity.com/go/bond).

## SAMPLE TRADE TICKET ON FIDELITY.COM

CALL MAKE WHOLE

Ask Price 103.090000	Ask Yield 3.930000	Ask Quantity(min) 10(10)	Third Party Price 103.000
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**Preview Order**

Account	Action	Buy
Quantity	CUSIP	
Order Type	Limit Price	Price 103.090
Price w/Mark-up	103.190	Effective Yield 3.840927%
Time in Force	Fill or Kill	Trade Type Cash
Trade Date	04/25/2022	Settlement Date 04/27/2022

Estimated order value, including \$10.00 (0.097%) mark-up and \$247.50 accrued interest:

**\$10,566.50**

Please verify your order information before placing order

Cancel

**Price w/Mark-up 103.190      Effective Yield 3.840927%**

Estimated order value, including \$10.00 (0.097%) mark-up and \$247.50 accrued interest:

Our trade confirmations and trade tickets clearly display the mark-up (for buys) or mark-down (for sells) you pay, which are just \$1 per bond for secondary market transactions.<sup>3</sup>

## SAMPLE TRADE CONFIRMATION STATEMENT

REFERENCE NO.	TYPE	REG. REP.	TRADE DATE	SETTLEMENT DATE	CUSIP NO.	ORDER NO.		
	1*	W##	04-25-22	04-27-22				
You Bought	10,000						Principal Amount	10,319.00
at	103.1900						Interest	247.50
							Settlement Amount	10,566.50

DESCRIPTION and DISCLOSURES

CALLABLE  
CURRENT YIELD 6.541300  
YIELD TO MATURITY 3.840927%  
SUBJECT TO MAKE WHOLE CALL  
CONTINUOUSLY CALLABLE  
TO VIEW SECURITY DETAILS AND TRADE ACTIVITY, GO TO <https://bondfacts.finra.org/88033GCN8>  
EXECUTION TIME: T3:25:08  
MARK-UP/DOWN IS THE DIFFERENCE (DOLLAR AND %) BETWEEN THE PREVAILING MARKET PRICE (PMP) AND TRADE PRICE. N/A REPRESENTS INSTANCES WHERE TRADE PRICE IS BETTER THAN PMP.  
MARK-UP \$10.00 / 0.0970%  
MOODY'S B3 - STANDARD & POOR'S B-  
INTEREST PAID SEMI-ANNUALLY  
ADDITIONAL CALL FEATURES MAY EXIST THAT COULD AFFECT YIELD: COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST

**EXECUTION TIME 13:25:08**  
**MARK-UP/DOWN IS THE DIFFERENCE (DOLLAR AND %) BETWEEN THE PREVAILING MARKET PRICE (PMP) AND TRADE PRICE. N/A REPRESENTS INSTANCES WHERE TRADE PRICE IS BETTER THAN PMP.**  
**MARK-UP \$10.00 / 0.0970%**

<sup>1</sup> Amended rules are FINRA Rule 2232, "Customer Confirmations" and MSRB Rule G-15, "Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers."

<sup>2</sup> Customer transactions in corporate, agency and municipal securities where the broker-dealer also executes one or more offsetting principal transaction(s) on the same trading day as the customer transaction in an aggregate trading size that meets or exceeds the size of the customer trade.

<sup>3</sup> **Minimum markup or markdown of \$19.95 applies if traded with a Fidelity representative. For U.S. Treasury purchases traded with a Fidelity representative, a flat charge of \$19.95 per trade applies. A \$250 maximum applies to all trades, reduced to a \$50 maximum for bonds maturing in one year or less. Rates are for U.S. dollar-denominated bonds; additional fees and minimums apply for non-dollar bond trades. Other conditions may apply; see [Fidelity.com/commissions](http://Fidelity.com/commissions) for details. Please note that markups and markdowns may affect the total cost of the transaction and the total, or "effective," yield of your investment. The offering broker, which may be our affiliate, National Financial Services LLC, may separately mark up or mark down the price of the security and may realize a trading profit or loss on the transaction.**

In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities). Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.