

Additional insight on how much you pay for your bond trades

Beginning May 2018, all broker-dealers are required to disclose mark-up/mark-down on trade confirmations¹ for qualifying² corporate, agency, and municipal bond transactions. With this level of transparency, clients have greater insight into how much their broker-dealers charge.

Sample Trade Confirmation Statement

REFERENCE NO.	TYPE	REG. REP. W#	TRADE DATE	SETTLEMENT DATE	CUSIP NO.	ORDER NO.
You Bought at	10.000	117.9000			00344NRCC	
<p>DESCRIPTION AND DISCLOSURES</p> <p>WE HAVE ACTED AS PRINCIPAL. COUPON 5.00000%. MATURITY DATE 02/15/2034. CALLABLE NEXT CALL 02/15/26 @ 100.000. CURRENT YIELD 4.240. YIELD TO MATURITY 3.518%. YIELD TO CALL 2.484%. TO 02/15/26 @ 100.000 DOUBLE-BARRELED CONTINUOUSLY CALLABLE FROM 02/15/26 TO VIEW TRADE ACTIVITY AND SECURITY DETAILS, GO TO http://www.fidelity.com.</p> <p>EXECUTION TIME 12:44 PM 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 / 0.0848%</p> <p>STANDARD & POOR AA+ . MOODY'S - NR INTEREST PAID SEMI-ANNUALLY PAR AMOUNT PER BOND \$5000.00 ADDITIONAL CALL FEATURES MAY EXIST THAT COULD AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST</p>						
				Principal Amount	Interest	Settlement Amount
						11,972.76

Mark-up (for buys) or mark-down (for sells) dollar and percentage information

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 MARK-UP \$10.00 / 0.0848%

Sample Trade Ticket Fidelity.com

Trade Fixed Income Verification	
Order Information	
Account	
Action	Buy
CUSIP	06051GFN4
Description	BANK AMER CORP 2.25000% 04/21/2020
Quantity	2
Coupon	2.250
Maturity Date	04/21/
Trade Date	03/27/
Settlement Date	03/29/
Order Type	Price Limit at 98.538
Time in Force	Fill or Kill
Trade Type	Margin
Limit Price	98.538
Mark-up	0.10
Price w/ Mark-up	98.638
Effective Yield	2.783333
Accrued Interest	19.75
The cost of this trade without mark-up	\$1,972.76
Mark-up(%)	\$2.00 (0.101%)
Cost of this trade with mark-up	\$1,974.76
< Edit Order Place Order >	

What can this mean for you?

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

Screenshots are for illustrative purposes only

¹ 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."
² Customer transactions in corporate 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.
 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.