

April 28, 2020

FIXED INCOME WEBINAR

BROKERED CDS, AND CD LADDERS

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Agenda

Current Interest Rate Context

Brokered CDs

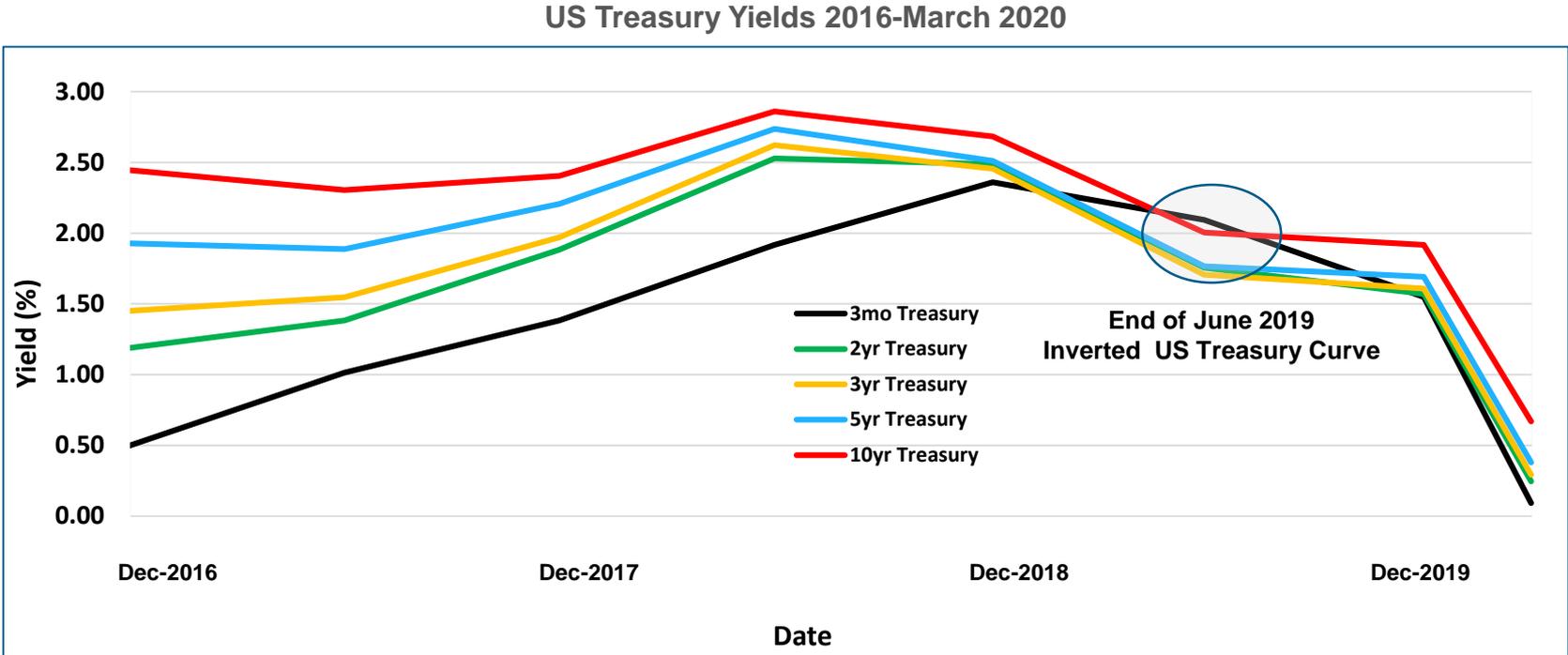
Using Model CD Ladders - Demo

Summary and Next Steps



Current Interest Rate Context

After a steady rise, the Treasury yield curve inverted in the summer of 2019, then moved sharply lower in March 2020

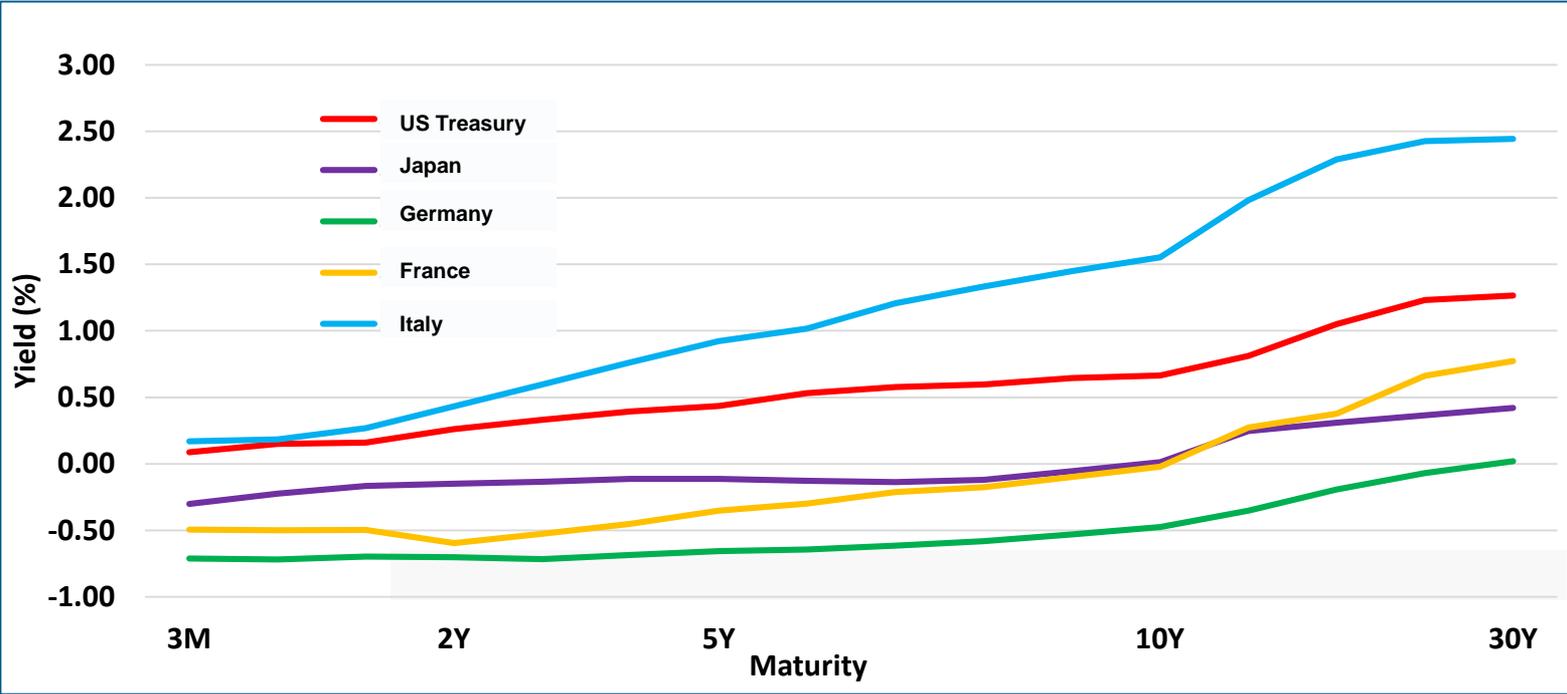


Past performance is no guarantee of future results.
Source: Bloomberg Finance L.P., as of 3/31/2020.



Despite the downward shift in yields, US Treasuries continue to remain attractive relative to other sovereign debt

Foreign Sovereign Yields March 31, 2020

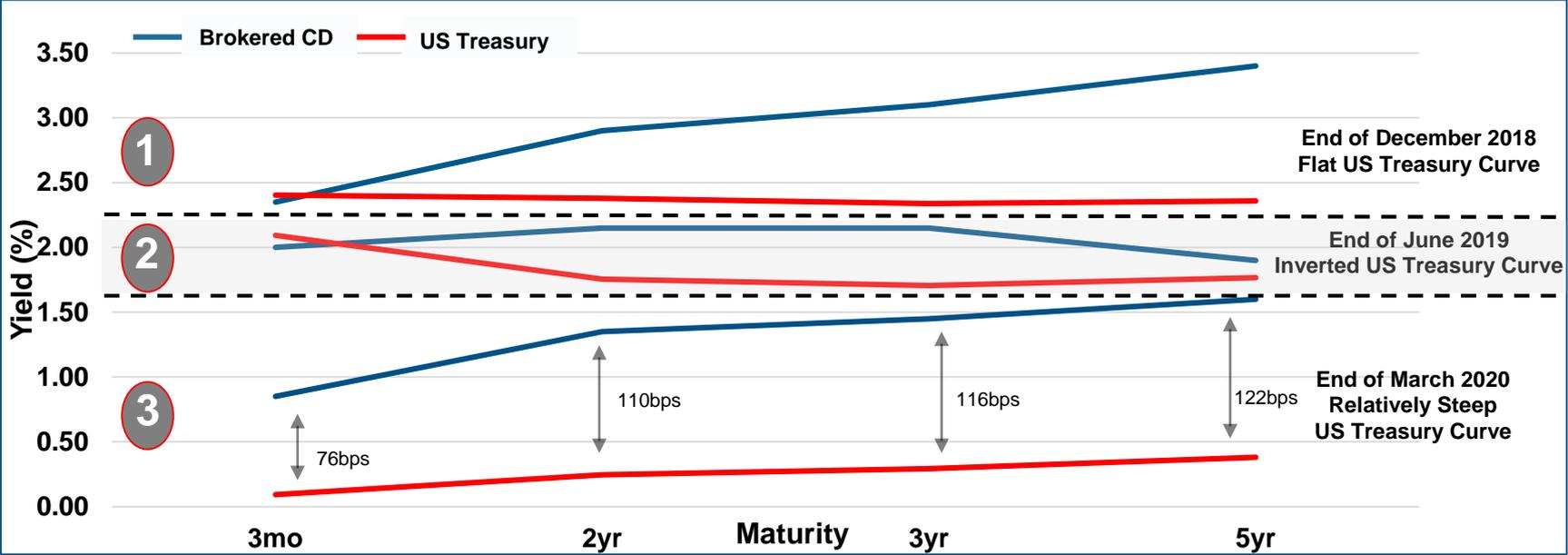


Past performance is no guarantee of future results.
Source: Bloomberg Finance L.P., as of 3/31/2020.



Brokered CDs have consistently provided yield pickup compared to Treasuries in different rate environments

Brokered CD and US Treasury Comparison



CD rates used are the best rates available for call protected CDs available on Fidelity.com on 1/03/19, 6/28/19, and 4/02/20

Past performance is no guarantee of future results.
 Source: Fidelity and Bloomberg Finance L.P., as of 3/31/2020.



What are brokered CDs and who issues them?

- An FDIC-insured deposit
- Eligible for same FDIC insurance coverage as a bank CD
- Like a security, held in a brokerage account and can be traded
- New issues are issued at \$1,000 minimums and increments
- No charge if purchased as a new issue and held until maturity
- Fidelity aggregates brokered CDs that compete for deposits

All New Issue CDs: 100					
Attributes Legend ▼					
Select Action	Description	Coupon	Coupon Frequency	Maturity Date ▲	Price
<input type="checkbox"/> Buy	BANK OF CHINA	0.450	AT MATURITY	05/22/2020	100.000
<input type="checkbox"/> Buy	FRANKLIN SYNERGY	0.800	MONTHLY	06/16/2020	100.000
<input type="checkbox"/> Buy	MBANK	0.750	MONTHLY	06/22/2020	100.000
<input type="checkbox"/> Buy	SOUTHEAST BANK	0.800	AT MATURITY	06/24/2020	100.000
<input type="checkbox"/> Buy	FIRST FINANCIAL BANK	0.800	AT MATURITY	07/17/2020	100.000

Current dynamics of brokered CD market

- Issuers are competing for deposits as money center, credit card banks, large / midsize regional banks and local community banks continue to find value in sourcing liquidity from the brokered CD market.
 - Brokered CDs continue to be a useful tool to help support bank balance sheets and asset-liability management, even during periods of uncertainty.
 - Issuers continue to find value in the cost of brokered CDs versus funding alternatives.
 - Competition for organic bank deposits has persisted
- Increased bank participation in brokered CD product – 22% increase in number of unique issuers on the Fidelity platform in 2019 (717 issuers) compared to 2015 (590 issuers)
- Added steepness in the intermediate CD yield curve has brought investor focus to tenors 2yrs and in. However, CD yields have continued to hold at historic spreads above US Treasuries further out the curve as well.

Access an active Secondary CD Market on Fidelity.com

CDs Secondary Offerings Search Results [Help/Glossary](#)

View other important information and risks of investing in fixed income securities.

Table View [Price/Yield Calculator](#) | [Taxable Equivalent Yield Calculator](#)

All brokered CDs listed below are FDIC-insured as indicated by the Attribute: FDIC. The FDIC insurance covers up to \$250,000 per institution per category of account, or up to \$250,000 in qualifying retirement accounts. Note that FDIC insurance only covers the principal amount of the CD and any accrued interest. In some instances, CD's may be purchased on the secondary market at a price which reflects a premium to their principal value. This premium is ineligible for FDIC insurance.

YOUR KEY SEARCH CRITERIA [Edit](#) | [Save](#)

Search Name	CD All to All All to All
Maturity Date	04/2020 to 04/2023
Moody's Rating	All to All
S&P Rating	All to All
Call Protection	Yes

Attributes Legend

IFCD: Inflation Linked CD	CP: Call Protection	SFP: Sinking Fund Protection	CDIP: CD Inflation Protected
FDIC: FDIC Insured	IE: Issuer Event	HY: High Yield	ER: Extraordinary Redemption
SO: Survivor's Option	D: Depth of Book Available		

Total Bonds Found: 2264 As of 04/16/2020

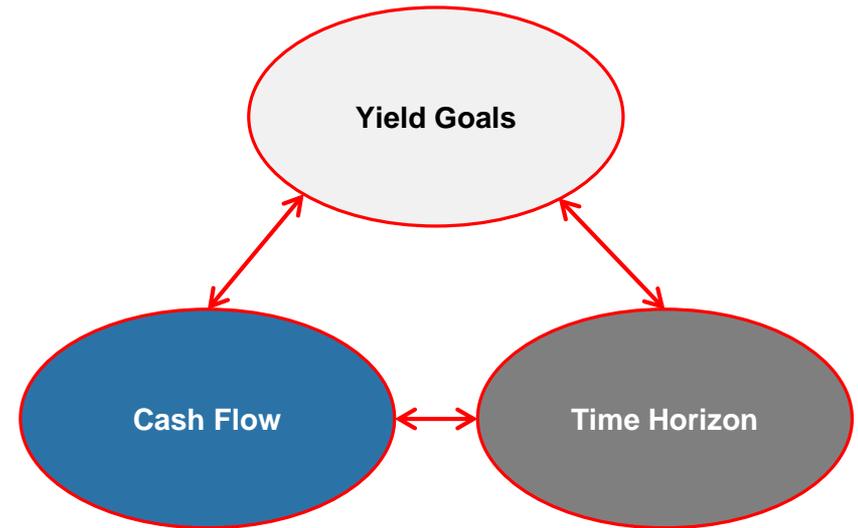
[Download Data to Spreadsheet](#) Select Action

Trade	Description	Coupon	Coupon Frequency	Maturity Date	Next Call Date	Bid		Ask		Depth of Book	3rd Party Price	Attributes and Issuer Events
						Yield	Price Qty(min)	Price Qty(min)	Yield to Worst			
Buy Sell	AMERANT BK NATL ASSNCD 2.35000% 04/27/2020	2.350	AT MATURITY	04/27/2020	--	--	No Bid --(--)	100.025 100(100)	1.023 1.023	--	100.049	CP SFP FDIC SO
Buy Sell	BMW BK NORTH AMER SALT LAKE CD 0.90000% 04/27/2020	0.900	AT MATURITY	04/27/2020	--	7.684	99.870 100(5)	100.003 499(1)	0.743 0.743	--	100.002	CP SFP FDIC SO
Buy Sell	TEXAS CAP BK N A DALLAS TEX CD 1.65000% 04/27/2020	1.650	AT MATURITY	04/27/2020	--	--	No Bid --(--)	100.020 50(1)	0.603 0.603	--	100.027	CP SFP FDIC SO
Buy	PNC BK NATL ASSN WILMINGTON DE CD 1.50000% 04/28/2020	1.500	AT MATURITY	04/28/2020	--	14.101	99.724 15(15)	100.024 15(1)	0.404 0.404	--	100.023	CP SFP

For the purposes of FDIC insurance coverage limits, all depository assets of the account holder at the institution issuing the CD will generally be counted toward the aggregate limit (usually \$250,000) for each applicable category of account. FDIC insurance does not cover market losses. All the new-issue brokered CDs Fidelity offers are FDIC insured. In some cases, CDs may be purchased on the secondary market at a price that reflects a premium to their principal value. This premium is ineligible for FDIC insurance. For details on FDIC insurance limits, visit FDIC.gov.

Using CDs strategically in a portfolio

- ▶ Acknowledging the value of cash:
 - Cash represents flexibility. It is liquid and a diversifier in the face of volatility in risk assets
 - ▶ But cash also comes with a cost:
 - Negative “real returns” due to the low yields currently available
- 
- ▶ Short-term CDs can offer higher yields by sacrificing liquidity:
 - Longer maturities generally offer higher rates
 - Use CD maturities to match the timing of your intermediate goals



Diversification does not ensure a profit or guarantee against loss.



Using Model CD Ladders - Demo

Introducing Fidelity's Model CD Ladders

- ▶ Available on Fidelity.com: [Research > Fixed Income, Bonds & CDs](#)

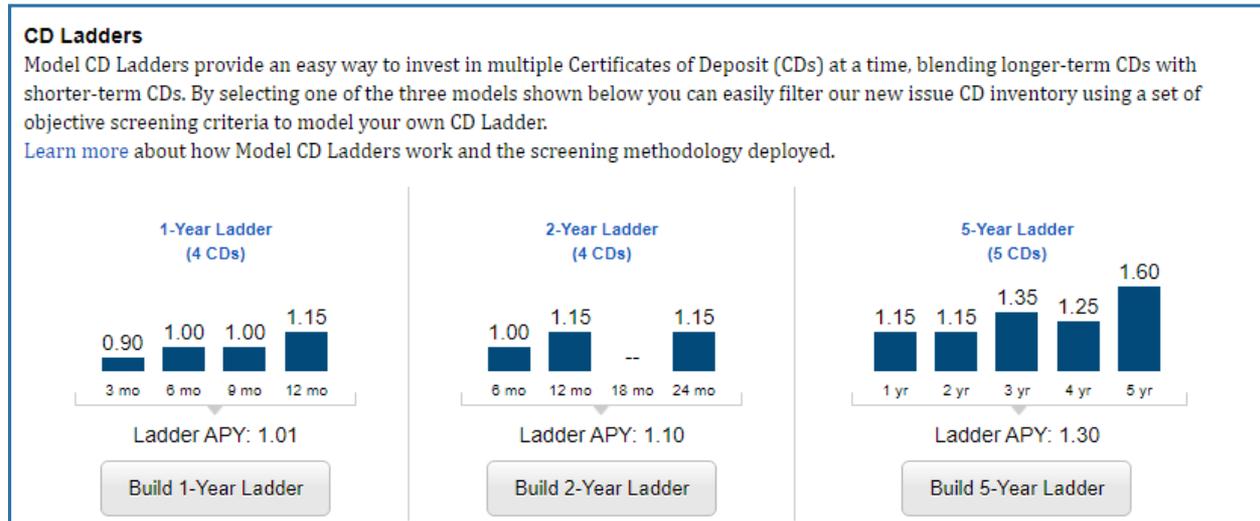
The screenshot displays the Fidelity website's 'Fixed Income, Bonds & CDs' section. At the top, there is a navigation bar with links for 'Find Bonds & CDs', 'Research & Markets', 'Bond Tools', 'Service & Solutions', and 'Understanding Bonds'. Below this is a warning message about market conditions affecting bond pricing. A search bar is present with options to search by 'Bonds' or 'Funds', and a dropdown menu for 'By CUSIP or Type (for bond name)' set to 'CUSIP'. A 'Search' button is also visible. Below the search bar, there are tabs for 'Yields', 'Bonds (115,408)', 'New Issues (12)', 'CDs & Ladders (5,202)', 'Annuities', 'Funds', 'ETFs', and 'Managed Accounts'. The 'CDs & Ladders' tab is highlighted with a red box. Underneath, the 'CD Ladders' section is introduced, explaining that Model CD Ladders allow investing in multiple CDs at once. Three ladder models are shown: a 1-Year Ladder (4 CDs) with APY 1.01, a 2-Year Ladder (4 CDs) with APY 1.10, and a 5-Year Ladder (5 CDs) with APY 1.30. Each model is represented by a bar chart showing the APY for different terms.

Ladder Model	Term	APY
1-Year Ladder (4 CDs)	3 mo	0.90
	6 mo	1.00
	9 mo	1.00
	12 mo	1.15
2-Year Ladder (4 CDs)	6 mo	1.00
	12 mo	1.15
	18 mo	--
	24 mo	1.15
5-Year Ladder (5 CDs)	1 yr	1.15
	2 yr	1.15
	3 yr	1.35
	4 yr	1.25
	5 yr	1.60

Screenshots are for illustrative purposes

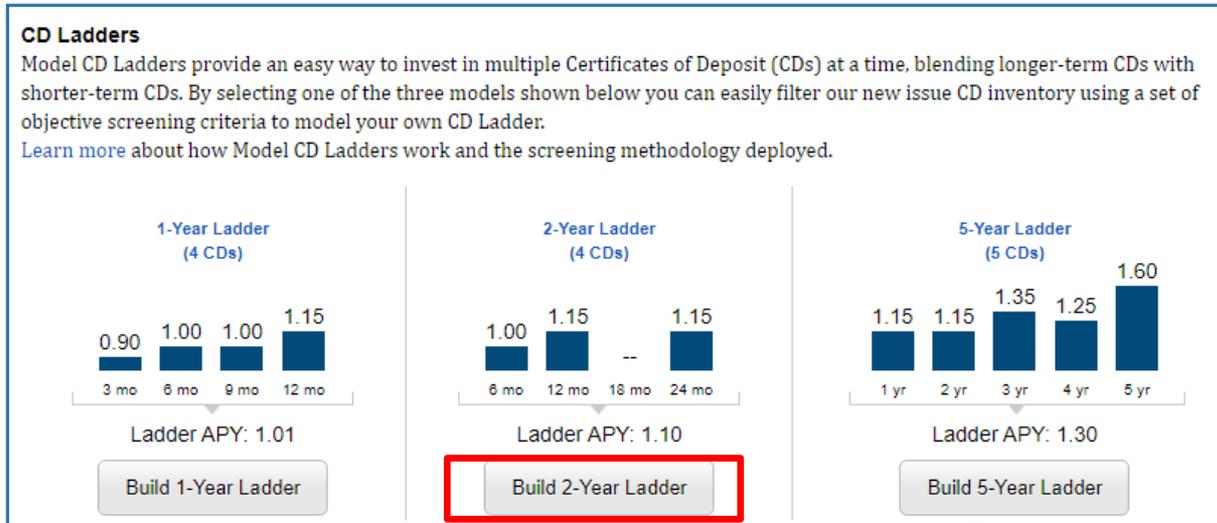
Introducing Fidelity's Model CD Ladders

- ▶ Fidelity presents three Model CD Ladders: 1-Year, 2-Year, and 5-Year
- ▶ The rates shown are drawn from Fidelity's new issue CD offerings
- ▶ Model CD Ladders are a "Buy & Hold" concept, not a trading strategy



Screenshots are for illustrative purposes

Start by deciding which CD Ladder you'd like to build



Screenshots are for illustrative purposes

An Easy 3-Step Process

► 1) Choose the Account and Amount

First, choose an account

Your CD Ladder purchase will be made within the account you select.

Account

Brokerage (XXXXXXXXXXXX)

Brokerage (XXXXXXXXXXXX)

Brokerage (XXXXXXXXXXXX)

Brokerage (XXXXXXXXXXXX)

Cancel Continue

How much would you like to invest?

Tell us the total amount you would like to invest in your ladder. [CD Ladder Methodology](#)

Account

INDIVIDUAL (XXXXXXXXXXXX)

[Choose another account](#)

Amount \$ 100,000 X

\$4,000 minimum with \$4,000 increments (i.e. \$8,000, \$12,000, \$16,000). | [Learn more](#)

Cancel Continue

Screenshots are for illustrative purposes

Step 2: Either let maturing principal be returned ...

- ▶ As CDs mature they pay the principal back into the core cash account
- ▶ Move mouse over each option to see relevant illustration

Research » Fixed Income » CDs & Ladders » Choose an Account » Enter an Amount » Elect Auto Roll

Do you want your CD ladder to mature or auto roll?

Upon maturity, I would like my CD ladder to:

- Return maturing principal to my core account**
Each CD will return its final coupon and principal into your core cash account when it matures.
- Re-invest maturing principal automatically via Auto Roll**
As individual CD rungs mature, the principal amount will be used to purchase the same quantity of new issue CDs with the longest maturity date for the model CD ladder chosen.

[Learn more about Auto Roll.](#)

Example: Allow funds from maturing CDs to be deposited

Term	Rate
12 Month CD	1.50%
9 Month CD	1.45%
6 Month CD	1.40%
3 Month CD	1.20%

0 Months 3 Months 6 Months 9 Months 12 Months 15 Months

Deposit Into Core Cash Account

■ Initial Investment ■ Subsequent Investment ■ Expired Investment

Source: Fidelity Investments. For illustrative purpose only. Yields are hypothetical and may not reflect actual results.

Cancel Back Continue

Understanding Model CD Ladders & Custom CD Ladders

- Introducing Fidelity's Model CD Ladders
- Maturity dates
- Construction methodology
- Combination process
- Owning a CD Ladder
- Reinvest maturing positions automatically with Auto Roll
- Custom CD Ladders

Fidelity's Model CD Ladders provide a quick and easy way to implement a CD ladder strategy for a portion of your portfolio. Brokered CDs are time deposit instruments issued by banks with a range of available maturities, and can be bought and sold in a brokerage account. The intent behind offering the Model CD Ladders is to show how simple combinations of CDs can be modeled and then built or modified to suit an investor's specific requirements.

Introducing Fidelity's Model CD Ladders

Fidelity displays three Model CD Ladders to educate investors with varying needs for liquidity and yield or return:

- 1 Year Ladder: Composed of four maturity "rungs" – 3-month, 6-month, 9-month, and 12-month
- 2 Year Ladder: Composed of four maturity "rungs" – 6-month, 12-month, 18-month, and 24-month
- 5 year Ladder: Composed of five maturity "rungs" – 1, 2, 3, 4, and 5-years to maturity.

The Model CD Ladder logic scans Fidelity's new issue CD inventory every 15 minutes and displays the highest-yielding CDs in each of the three Sample Model CD Ladders shown on the "CDs & Ladders" tab. The time stamp below the Model CD Ladders denotes the last update. Prior to completing an investment, please consider FDIC coverage limitations and evaluate the creditworthiness of both the CD and the underlying institution.

How the CD maturity dates are defined

The CDs that are displayed within the Model CD Ladders are selected according to their time to maturity (TTM). These TTMs range from 3 months (3M) to 3 years (3Y). Each TTM represents a range of days, and conforms to the same range used in the Fidelity Yield Table, as follows:

CD Maturity Date	Range of days considered for the CD Maturity Date
3 Months	90 - 109 days
6 Months	180 - 209 days
9 Months	270 - 309 days
12 Months	360 - 409 days
18 Months	540 - 609 days
24 Months	720 - 809 days
36 Months	1080 - 1209 days

Screenshots are for illustrative purposes

Step 2: ... or elect Auto Roll to automatically reinvest

- ▶ As CDs mature the principal is used to buy a new CD at the end of the ladder
- ▶ Enroll in the Auto Roll Service and set up Auto Roll Alerts

Research » Fixed Income » CDs & Ladders » Choose an Account » Enter an Amount » Elect Auto Roll

Do you want your CD ladder to mature or auto roll?

Upon maturity, I would like my CD ladder to:

- Return maturing principal to my core account
Each CD will return its final coupon and principal into your core cash account when it matures.
- Re-invest maturing principal automatically via Auto Roll
As individual CD rungs mature, the principal amount will be used to purchase the same quantity of new issue CDs with the longest maturity date for the model CD ladder chosen. 

[Learn more about Auto Roll.](#)

CD Ladder Methodology

Example: Automatically re-invest funds from maturing CDs into new CDs



Source: Fidelity Investments. For illustrative purpose only. Yields are hypothetical and may not reflect actual results.

Enroll in Auto Roll Service & Set Up Alerts

To participate in the Auto Roll Service please subscribe to Auto Roll Alerts and agree to the terms of service in the associated Agreement.

Select "Continue" below to begin the subscription process. You will be first taken to the Alert Setup page where you need to select Auto Roll Alerts. From there you will be shown the Auto Roll Service Agreement. After reviewing the Agreement, click "I agree" and then tell us where you would like the alerts sent. Finally, return to the Model CD Ladder process to Preview your CD Ladder.

Review Agreement

Signing up for Auto Roll allows you to instruct Fidelity to automatically reinvest the maturing principal of certain securities into similar instruments of the same asset class. In the context of Model CD Ladders, the principal from the maturing CD rung will automatically be reinvested in new issue CDs with the longest maturity date for the Model CD Ladder chosen. This process will continue for all future successive rungs of maturing CDs until you decide to de-select the Auto Roll feature on this CD Ladder or sell the CDs before they mature.

Auto Roll Service Agreement and Additional Information

This agreement describes the features, policies, fees, and risks associated with Fidelity's "Auto Roll Service." Please review this agreement and keep it for your records.

Who's Who in This Agreement

In this agreement, "Fidelity," "us," and "we" include Fidelity Brokerage Services LLC ("FBS") and National Financial Services LLC ("NFS") and their employees, agents and representatives, as the context may require. "You" and "account owner" refer to the owner indicated on the account application; for any account with more than one owner or authorized person (such as a joint or trust account), "you" and "account owner" refer to all owners, collectively and individually.

Fidelity's Commitments to You

Under this agreement, Fidelity has certain rights and responsibilities. When we accept your enrollment into the Auto Roll feature for a qualified portion of maturities, we are obligated to make:

Screenshots are for illustrative purposes



Step 3: Preview Results (Note: Auto Roll Indicator)

- ▶ Results select the highest-yielding CDs*
- ▶ Review results in table or cash flow view
- ▶ Edit quantities or change a CD issuer for alternatives
- ▶ Help available from Fixed Income Specialists:

800-544-5372

CD Ladder Search Results Questions? Call a Fixed Income Specialist at 800-544-5372

Summary Calculations¹ [Export to Fixed Income Analysis](#) | [Create PDF](#)

Principal Cost \$8,000.00 Total Par Value \$8,000.00 Average Yield 1.34%
 Accrued Interest \$0.00 Average Coupon Rate 1.34% Average Price \$100.00
 Principal Gain/Loss \$0.00 Average Maturity (Years) 3.28 Annual Interest \$107.00

Overview | Estimated Interest & Principal Chart | **Auto Roll YES** | [Learn More About CD Ladders](#)

4 of 4 rungs filled: as of 04/16/2020

Bond Type	Quantity Proposed	Quantity Available	Coupon Rate	Maturity Date	Ask Price	Ask Yield	Yield Range	Attributes	Annual Interest	Estimated Cost ²	
Rung 1 View Other Available CDs											
(DSK485507) BANK OF CHINA 1.150000 04/22/2021 04/22/											
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	4,332	1.150	04/22/2021	100.00	1.150	0.750-1.150	CP, SFP, FDIC	\$23	\$2,000	
Rung 2 View Other Available CDs											
(DSK4E2294) CAPITAL ONE BANK NA 1.350000 04/24/2023											
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	3,957	1.350	04/24/2023	100.00	1.350	1.100-1.350	CP, SFP, FDIC	\$23		
Rung 3 View Other Available CDs											
(DSK474114) ENERBANK USA 1.250000 04/17/2024 04/17/2											
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	4,325	1.250	04/17/2024	100.00	1.250	1.200-1.250	CP, SFP, FDIC	\$23		
Rung 4 View Other Available CDs											
(DSK4D8612) STATE BANK OF INDIA 1.600000 04/29/2025											
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	1,338	1.600	04/29/2025	100.00	1.600	1.250-1.600	CP, SFP, FDIC	\$33		

(-) is used to indicate Not Available.
¹Summary calculations and data shown are the result of mathematical calculations and are intended to be hypothetical for informational purposes only.
²All averages are weighted according to the face amount. Individual bonds are subject to price change and availability. Yields fluctuate so that your bond, if sold prior to maturity, may be worth more or less than original cost.

[Save Ladder](#) | [Save As](#)



* Subject to availability and according to the screening methodology logic outlined in the [Understanding Model CD Ladders](#) education page.

Screenshots are for illustrative purposes

Fine-tuning your CD Ladder

- ▶ To choose a different CD, click “View Other Available Bonds”
- ▶ Then select the CD you wish to purchase and click “Replace”

Rung 2
Select another bond to replace your current selection.

Overview Existing Holdings

Current Selection

Selection	Bond Type	Quantity Proposed	Description	Quantity Available	Coupon Rate	Maturity Date	Ask Price	Ask Yield	Yield Range	Attributes	Annual Interest	Estimated Cost ¹
<input type="radio"/>	CERTIFICATE OF DEPOSIT	2	CAPITAL ONE BANK NA 1.350000 04/24/2023	3,957	1.350	04/24/ 2023	100.00	1.350	1.100- 1.350	CP, SFP, FDIC	\$27	\$2,000

Delete current selection and leave rung empty.

Alternate Available Bonds | 2 Results

<input type="radio"/>	CERTIFICATE OF DEPOSIT	2	CAPITAL ONE BANK USA 1.350000 04/24/2023	2,312	1.350	04/24/ 2023	100.00	1.350	1.100- 1.350	CP, SFP, FDIC	\$27	\$2,000
<input checked="" type="radio"/>	CERTIFICATE OF DEPOSIT	2	AMERICAN EXPRESS NATL BK 1.100000 04/21/ 2023	570	1.100	04/21/ 2023	100.00	1.100	1.100- 1.350	CP, SFP, FDIC	\$22	\$2,000

Replace

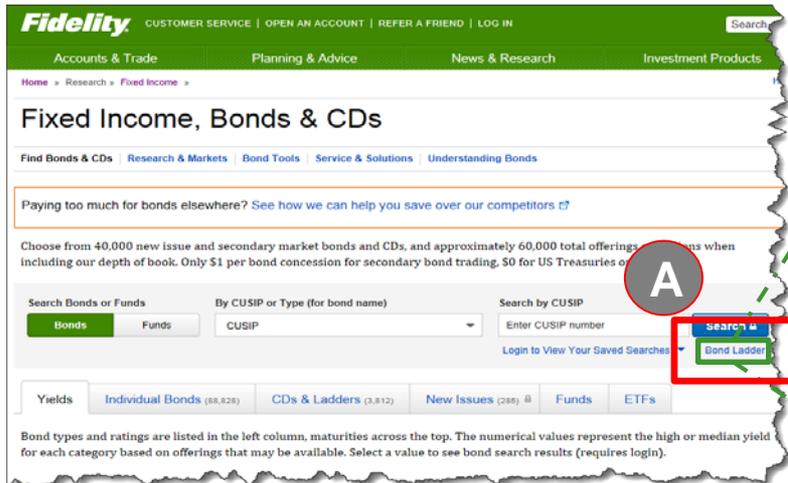
B

A

Screenshots are for illustrative purposes

Dashboard: Manage your Auto Roll setting

- ▶ Find your CD Ladder from the Purchased Ladders dashboard
- ▶ Toggle check-box to indicate Auto Roll feature On or Off



Ladder Name	Bond Type	Face Value	Market Value	Remove	Auto Roll On?
test1111	Taxable	Pending	Pending		
test123456	Taxable	Pending	Pending		
Jack	Taxable	\$0.00	\$0.00	<input type="checkbox"/>	
Jack 111	Taxable	\$73,000.00	\$0.00	<input type="checkbox"/>	
jack	Taxable	Pending	Pending		
fffff	Taxable	Pending	Pending		
hhhh	Taxable	Pending	Pending		
add rung cd	Taxable	Pending	Pending		
CD MT 062316 151503	Taxable	Pending	Pending		<input type="checkbox"/>
CD LT 062316 151722	Taxable	Pending	Pending		<input checked="" type="checkbox"/>
CD LT 071116 170414	Taxable	Pending	Pending		
tewst_regression	Taxable	\$1,000.00	\$0.00	<input type="checkbox"/>	
CD ST 071416	Taxable	Pending	Pending		

Screenshots are for illustrative purposes

Auto Roll Alerts

- ▶ A helpful set of alerts to remind you of Auto Roll is active
- ▶ Provides option to cancel at any time before order is placed

Auto Roll - Maturing Security Alert



[Quick Links:](#) [Alerts Center](#) • [Alerts Delivery Preferences](#) [Temporarily Stop Alerts](#) [Contact Us](#) • [Legal Information](#)

Wed Sep 06, 2017 02:02 PM EDT

You are enrolled in Fidelity's Auto Roll Service for the Qualified Position (CUSIP: [9127955S6](#)). This position will be maturing soon, and pursuant to your authorized instructions, we have identified, for your review, the Reinvestment Position (CUSIP: [9127955W7](#)). We will follow your authorized instructions and automatically reinvest proceeds of the principal upon maturity pursuant to the defined process and limitations described in the Auto Roll Service Agreement. Automatic reinvestments completed through the Auto Roll Service are subject to the same [commission schedule](#) for online purchases completed outside the Auto Roll Service.

If you wish to cancel your ongoing participation in this security that has the Auto Roll feature, click [here](#).

Screenshots are for illustrative purposes



Summary and Next Steps

Summary – It's time to look at CD Ladders

1. Brokered CDs that Fidelity offers are FDIC-insured and provide the potential to invest across multiple different issuers.
2. Investors should always balance the pros / cons of liquid instruments such as cash compared to less-liquid options, such as our laddered CD strategies to weigh the trade-offs.
3. Fidelity's Model CD Ladders are a simple and easy way to help you build a ladder strategy with varying maturity dates.
4. The Auto Roll feature allows you to choose to have the principal from maturing rungs automatically reinvested in another CD whose term to maturity is equal to the length of the ladder.

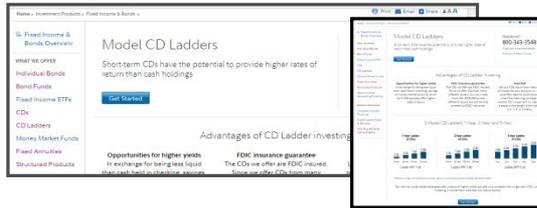
Next Steps – Supporting your knowledge and actions

Online



Visit: [Fidelity.com](https://www.fidelity.com) > Investment Products > Fixed Income, Bonds & CDs

► CD Ladders Education Page



Visit: [Fidelity.com](https://www.fidelity.com) > Research > Fixed Income, Bonds & CDs

► Carousel P.1 – CD Ladders Video

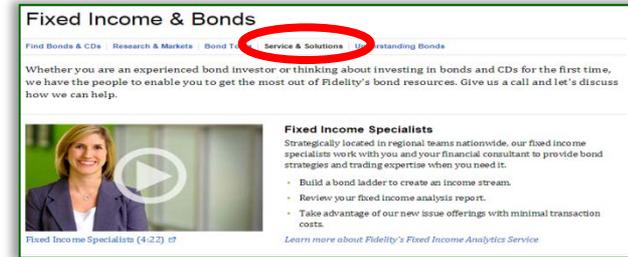


Contact Us



Visit: [Fidelity.com](https://www.fidelity.com) > Research > Fixed Income, Bonds & CDs

► “Service & Solutions” tab



- Live help on finding bonds and navigating the fixed income pages
- Complimentary Fixed Income Analysis on bond holdings held here or outside
- **Call: 1-800-544-5372**

Screenshots are for illustrative purposes

Thank You!

Important information

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](https://www.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.

Any screenshots, charts, or company trading symbols mentioned, are provided for illustrative purposes only and should not be considered an offer to sell, a solicitation of an offer to buy, or a recommendation for the security.

Views expressed are as of the date indicated, based on the information available at that time, and may change based on market or other conditions. Unless otherwise noted, the opinions provided are those of the speakers and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.

Past performance is no guarantee of future results.

Displayed rates of return, including annual percentage yield (APY), represent stated APY for either individual certificates of deposit (CDs) or multiple CDs within model CD ladders, and were identified from Fidelity inventory as of the time stated. For current inventory, including available CDs, please view the [CDs & Ladders tab](#).

Brokered CDs sold or redeemed prior to maturity may be subject to loss. Your ability to sell a CD on the secondary market is subject to market conditions. The secondary market for CDs may be limited. If your CD has a step rate, the interest rate of your CD may be higher or lower than prevailing market rates. The initial rate on a step rate CD is not the yield to maturity. If your CD has a call provision, which many step rate CDs do, please be aware the decision to call the CD is at the issuer's sole discretion. Also, if the issuer calls the CD, you may be confronted with a less favorable interest rate at which to reinvest your funds. Fidelity makes no judgment as to the credit worthiness of the issuing institution.



Thank You!

Important information continued

For the purposes of FDIC insurance coverage limits, all depository assets of the account holder at the institution that issued the CD will generally be counted toward the aggregate limit (usually \$250,000) for each applicable category of account. FDIC insurance does not cover market losses. In some cases, CDs may be purchased on the secondary market at a price that reflects a premium to their principal value. This premium is ineligible for FDIC insurance. For details on FDIC insurance limits, see www.fdic.gov

A CD ladder, depending on the types and amount of securities within it, may not ensure adequate diversification of your investment portfolio. While diversification does not ensure a profit or guarantee against loss, a lack of diversification may result in heightened volatility of your portfolio value. You must perform your own evaluation as to whether a CD ladder and the securities held within it are consistent with your investment objectives, risk tolerance, and financial circumstances. To learn more about diversification and its effects on your portfolio, contact a representative.

CD Model Ladders are provided for educational purposes and are not intended to serve as the primary basis for your investment, financial or tax planning decisions. The results of the tool are based on your inputs and criteria and the tool's stated methodology.

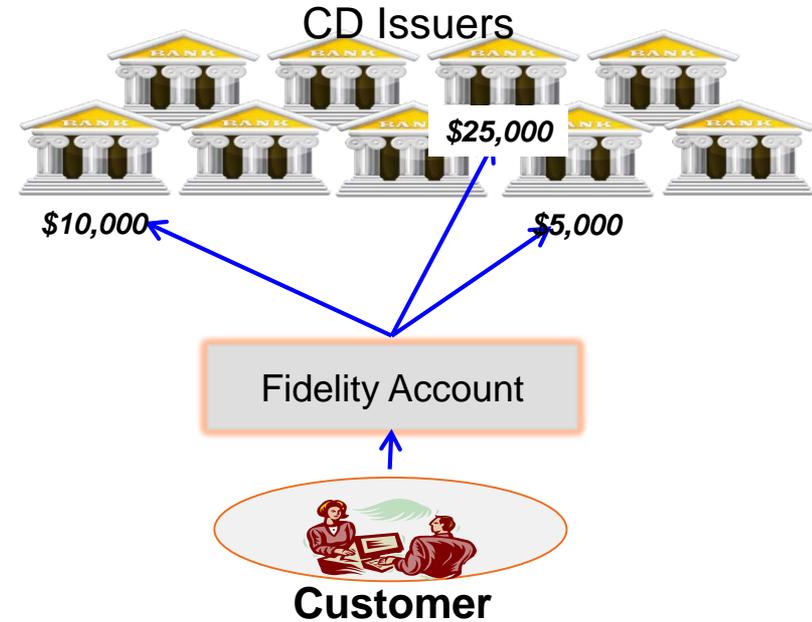


APPENDIX

What is Fidelity's new issue CD offering?

1. At any point in time, Fidelity typically offers over 100 new issue CDs from 20-50 different banks
2. In 2019 Fidelity offered new issue CDs from over 700 different issuers
3. All Fidelity's new issue CD offerings are:
 - Priced at par
 - Minimum \$1000 investment
 - FDIC insured
 - No charge to invest*
4. Open for orders 24/7

Brokered CDs at Fidelity



For the purposes of FDIC insurance coverage limits, all depository assets of the account holder at the institution issuing the CD will generally be counted toward the aggregate limit (usually \$250,000) for each applicable category of account. FDIC insurance does not cover market losses. All the new-issue brokered CDs Fidelity offers are FDIC insured. In some cases, CDs may be purchased on the secondary market at a price that reflects a premium to their principal value. This premium is ineligible for FDIC insurance. For details on FDIC insurance limits, visit [FDIC.gov](https://www.fdic.gov).

* Fidelity makes new-issue CDs available without a separate transaction fee. Fidelity Brokerage Services LLC and National Financial Services LLC receive compensation for participating in the offering as a selling group member or underwriter.