

FIXED INCOME WEBINAR

# Brokered CDs and CD Ladders

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833095.1.0

# Agenda

1. A world of low rates globally and rising rates domestically
2. Trading-off liquidity for returns
3. Using CD Ladders strategically in your portfolio
4. Summary



# Interest Rates & CDs

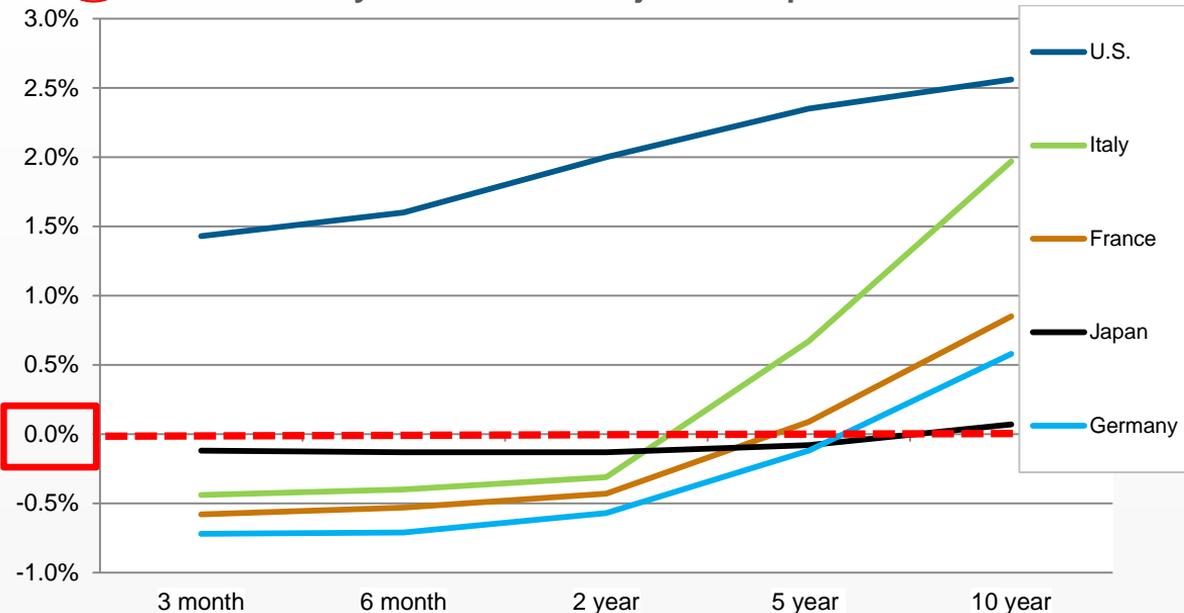
# A World of low and rising rates

A

Country	5yr Yields 1/12/18	5yr Yields 7/12/17	5yr Yields 1/12/17
U.S.	2.35%	1.88%	1.87%
U.K.	0.86%	0.66%	0.55%
Italy	0.67%	0.87%	0.64%
Spain	0.36%	0.34%	0.22%
Sweden	(0.03%)	(0.07%)	(0.07%)
France	0.09%	(0.01%)	(0.04%)
Japan	(0.08%)	(0.05%)	(0.13%)
Germany	(0.12%)	(0.12%)	(0.50%)
Switzerland	(0.41%)	(0.47%)	(0.53%)

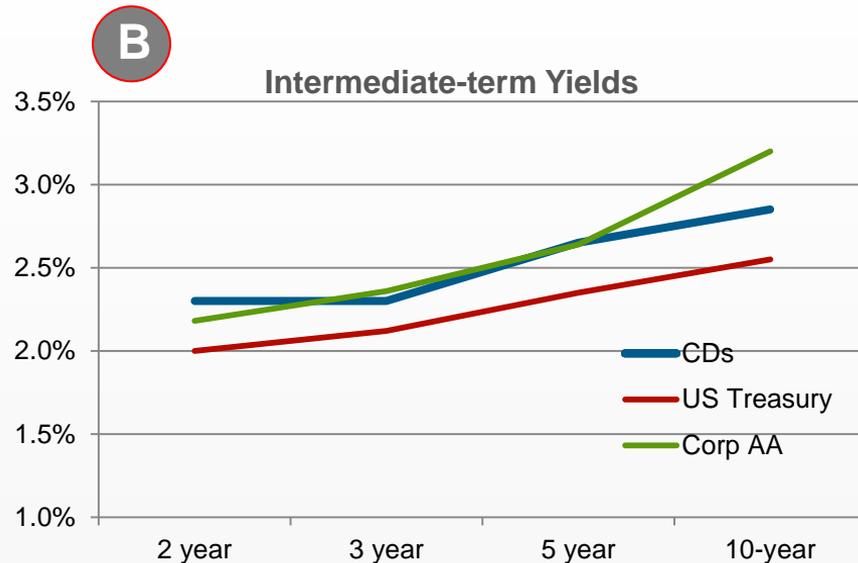
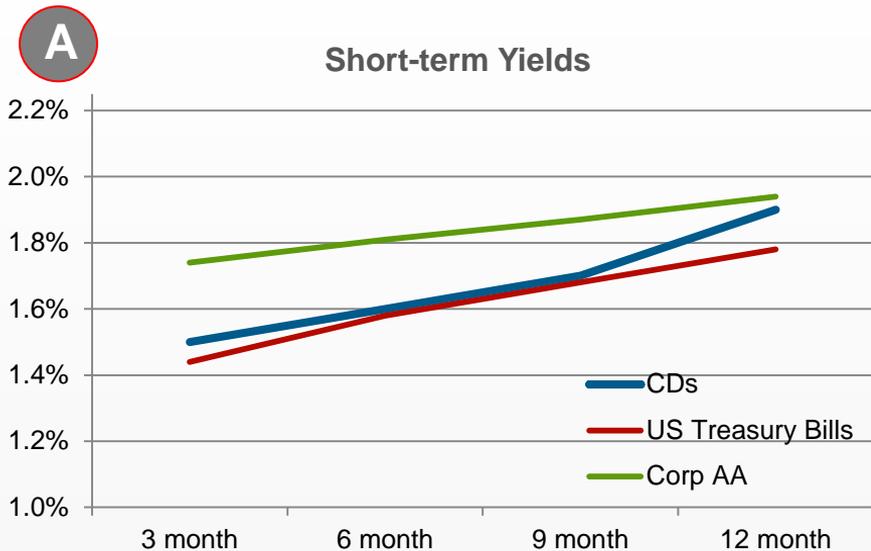
B

Benchmark yield curves of major developed countries



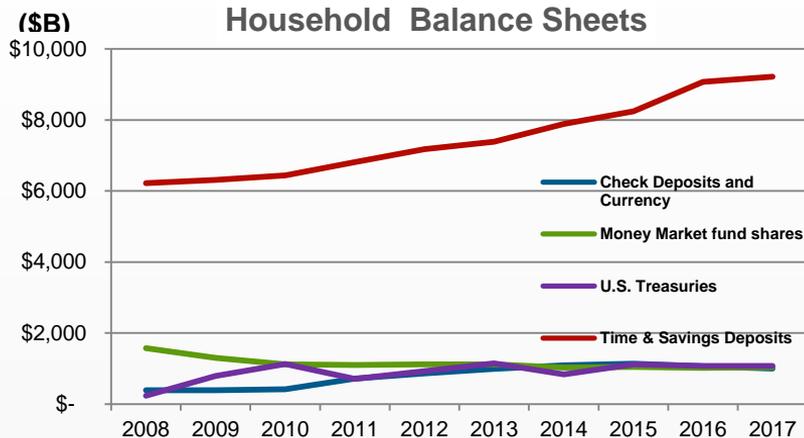
Source: Bloomberg Finance L.P., as of 01/12/2018.

# Short and medium-Term CDs provide some of the best value in the high quality bond universe



Past performance is no guarantee of future results  
Source: Bloomberg Finance L.P., as of 1/12/2018.

# Preferences for Cash, Money Market Funds, Treasuries, Deposits, and CDs



## ► Why CDs?:

- CDs offer return of principal and interest, insured up to FDIC limits
- Fidelity offers Brokered CDs from hundreds of issuers and maturities
- You can pick CDs that best match your preferred “return of liquidity” timeframes

Source: Federal Reserve, Balance Sheet of Households Report, B.100. September 2017

**You could lose money by investing in a money market fund. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Before investing, always read a money market fund's prospectus for policies specific to that fund.**

# Brokered CDs for competitive returns, diversification and insurance

**New issue CDs by top rates:**

All	3mo	6mo	9mo	1yr	18mo	2yr	3yr	4yr	5yr	10yr	20yr
CDs	1.50	1.60	1.65	1.90	2.00	2.30	2.50	2.55	2.65	3.00	3.25

New Issue CDs | [Secondary CDs](#)

**All New Issue CDs: 170** AS OF 01/26/2018 AT 05:05 P.M. ET

[Attributes Legend](#) [CD Disclosure Document](#)

Select Action	Description	Coupon	Coupon Frequency	Maturity Date	Price
<input type="checkbox"/> Trade	CAMBRIDGE SAVINGS BANK	1.250	AT MATURITY	03/09/2018	100.000
<input type="checkbox"/> Trade	BANK OF CHINA	1.250	AT MATURITY	03/15/2018	100.000
<input type="checkbox"/> Trade	BANK OF CHINA	1.400	AT MATURITY	04/16/2018	100.000
<input type="checkbox"/> Trade	MORGAN STANLEY PRIVATE BANK	1.400	AT MATURITY	05/01/2018	100.000

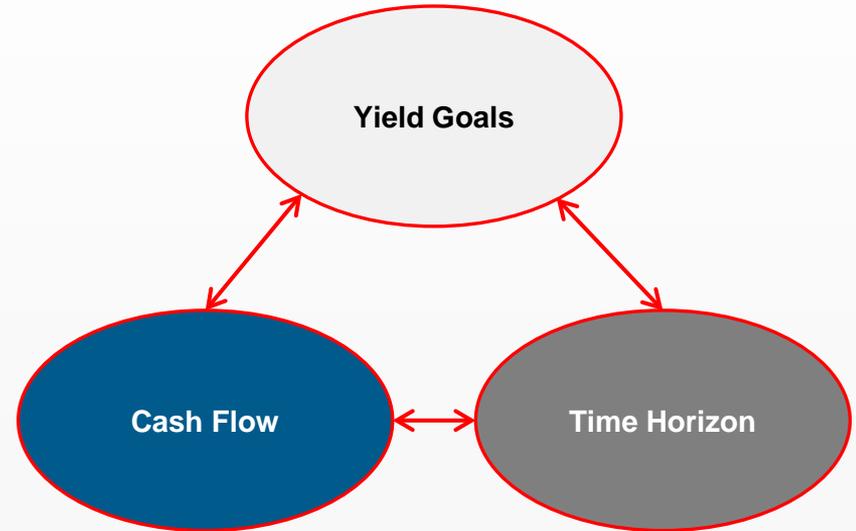
<input type="checkbox"/> Trade	BNY MELLON NA	1.750	AT MATURITY	01/30/2019	100.000	1.750	Yes	01/30/2018	2,208	CP SFP FDIC SO	1 YR
<input type="checkbox"/> Trade	SAFRA NATIONAL BANK	1.800	AT MATURITY	01/30/2019	100.000	1.800	Yes	01/31/2018	3,311	CP SFP FDIC SO	1 YR
<input type="checkbox"/> Trade	BANK OF THE WEST	1.800	AT MATURITY	01/30/2019	100.000	1.800	Yes	01/31/2018	3,667	CP SFP FDIC SO SKY	1 YR
<input type="checkbox"/> Trade	SYNOVUS BANK	1.800	AT MATURITY	01/30/2019	100.000	1.800	Yes	01/30/2018	95	CP SFP FDIC SO	1 YR
<input type="checkbox"/> Trade	FIRST COMMERCIAL BANK	1.700	MONTHLY	01/30/2019	100.000	1.700	Yes	01/30/2018	747	CP SFP FDIC SO	1 YR
<input type="checkbox"/> Trade	GOLDMAN SACHS BANK USA	1.800	AT MATURITY	01/31/2019	100.000	1.800	Yes	01/31/2018	3,893	CP SFP FDIC SO	1 YR

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](http://FDIC.gov).

*Screenshots are for illustrative purposes*

# Discussing the cash / short-term CDs trade-off

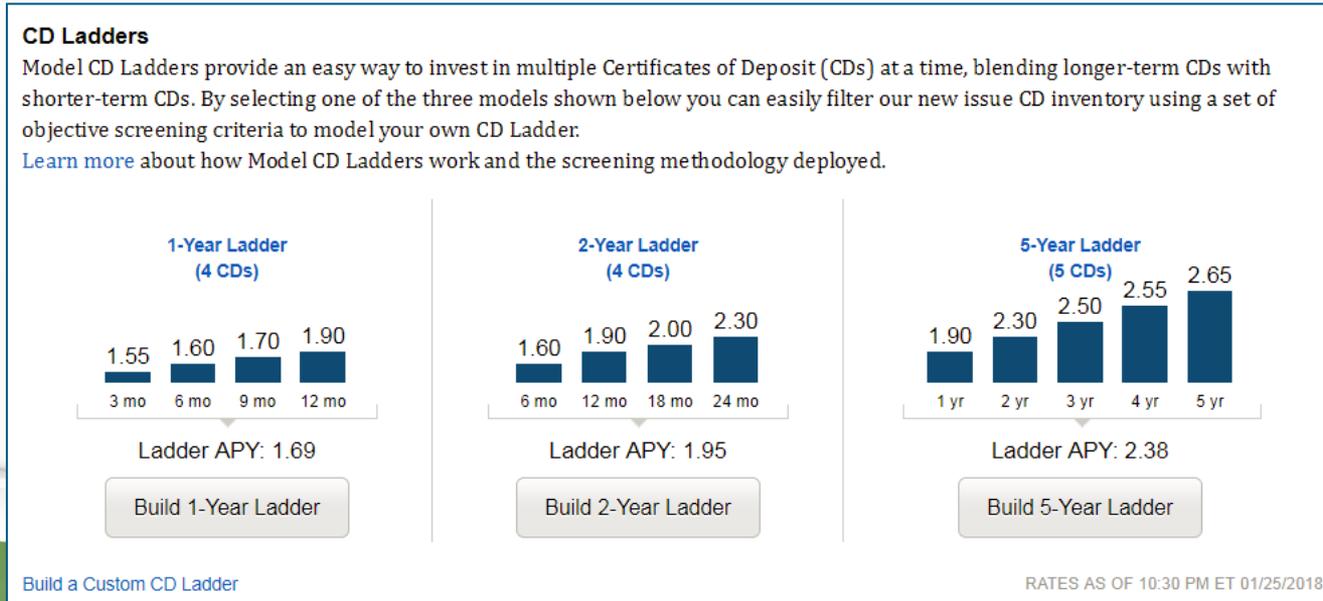
- ▶ Acknowledging the value of cash:
    - Cash represents flexibility. It is liquid and a diversifier in the face of volatility in risk assets
  - ▶ But cash also comes with a cost:
    - Negative “real returns” due to the low yields currently available
- 
- ▶ Short-term CDs can offer higher yields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



# Using Model CD Ladders

# Introducing Fidelity's Model CD Ladders

- ▶ Available on Fidelity.com: [Research > Fixed Income, Bonds & CDs](#)
- ▶ Fidelity presents three Model CD Ladders: 1-Year, 2-Year, and 5-Year
- ▶ Model CD Ladders are a “Buy & Hold” concept, not a trading strategy



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

**CD Ladders**

Model CD Ladders provide an easy way to invest in multiple Certificates of Deposit (CDs) at a time, blending longer-term CDs with shorter-term CDs. By selecting one of the three models shown below you can easily filter our new issue CD inventory using a set of objective screening criteria to model your own CD Ladder:

[Learn more](#) about how Model CD Ladders work and the screening methodology deployed.

Ladder Type	Term	Rate
1-Year Ladder (4 CDs)	3 mo	1.55
	6 mo	1.60
	9 mo	1.70
	12 mo	1.90
Ladder APY: 1.69		
2-Year Ladder (4 CDs)	6 mo	1.60
	12 mo	1.90
	18 mo	2.00
	24 mo	2.30
Ladder APY: 1.95		
5-Year Ladder (5 CDs)	1 yr	1.90
	2 yr	2.30
	3 yr	2.50
	4 yr	2.55
	5 yr	2.65
Ladder APY: 2.38		

Build a Custom CD Ladder

RATES AS OF 10:30 PM ET 01/25/2018

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

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

Cancel Continue

# 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.](#)

Cancel

**CD Ladder Methodology**

Example: Allow funds from maturing CDs to be deposited

Maturity	Yield
12 Month CD	1.50%
9 Month CD	1.45%
6 Month CD	1.40%
3 Month CD	1.20%

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

### Understanding Model CD Ladders & Custom CD Ladders

- Introducing Fidelity's Model CD Ladders
- Maturity dates
- Construction methodology
- Construction 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" – 12, 18, 24, 30, and 36-month

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 (TMM). These TMMs range from 3 months (3M) to 3 years (3Y). Each TMM represents a range of days, and conforms to the same ranges used in the Fidelity Yield Table, as follows:

CD Maturity Date	Range of days considered for the CD Maturity Date
3 Months	90 - 109
6 Months	180 - 209
9 Months	270 - 309
12 Months	360 - 439
18 Months	540 - 639
24 Months	720 - 839
30 Months	900 - 1039
36 Months	1080 - 1239

# 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?

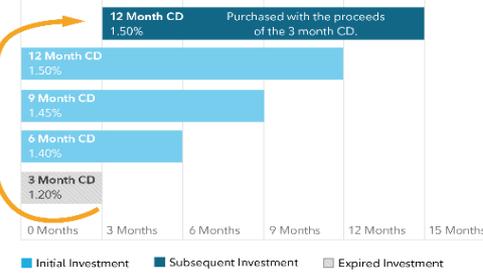
Upon maturity, I would like my CD ladder to:

- 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 agreement with the Auto Roll Service for a qualified investor or institution, we are subject to certain...

# 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 Calculations<sup>1</sup>** [Export to Fixed Income Analysis](#) | [Create PDF](#)

Principal Cost \$8,000.00      Total Par Value \$8,000.00      Average Yield 1.30%  
 Accrued Interest \$0.00      Average Coupon Rate 1.30%      Average Price \$100.00  
 Principal Gain/Loss \$0.00      Average Maturity (Years) 0.64      Annual Interest \$67.33

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

4 of 4 rungs filled: as of 11/13/2017 Qty:  [Add Rung](#)

Bond Type	QTY	Rating	Coupon Rate	Maturity Date	Ask Price	Ask Yield	Yield Range	Attributes	Annual Interest	Estimated Cost <sup>2</sup>
<b>Rung 1   <a href="#">View Other Available CDs</a></b>										
(DSHB16347) BANK OF EAST ASIA 1.150000 02/20/2018 11										
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	-- / --	1.150	02/20/2018	100.00	1.150	1.050-1.150	CP, SFP, FDIC	\$6	\$2,000
<b>Rung 2   <a href="#">View Other Available CDs</a></b>										
(DSHB17483) CONGRESSIONAL BANK 1.300000 05/15/2018 1										
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	-- / --	1.300	05/15/2018	100.00	1.300	1.200-1.300	CP, SFP, FDIC	\$13	\$2,000
<b>Rung 3   <a href="#">View Other Available CDs</a></b>										
(DSHAP1882) FIRST NATL BK SOUTHERN CA 1.300000 08/17										
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	-- / --	1.300	08/17/2018	100.00	1.300	1.300-1.300	CP, SFP, FDIC	\$19	\$2,000
<b>Rung 4   <a href="#">View Other Available CDs</a></b>										
(DSHAQ8834) FIRST NATIONAL BK&TR VINITA 1.450000 11/										
CERTIFICATE OF DEPOSIT	<input type="text" value="2"/>	-- / --	1.450	11/15/2018	100.00	1.450	1.350-1.450	CP, SFP, FDIC	\$29	\$2,000

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

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

**CD Ladder Search Results**

**Summary Calculations<sup>1</sup>**

Principal Cost \$8,000.00      Total Par Value \$8,000.00  
 Accrued Interest \$0.00      Average Coupon Rate 1.30%  
 Principal Gain/Loss \$0.00      Average Maturity (Years) 0.64  
 Annual Interest \$67.33

Overview | **Estimated Interest & Principal Chart**

Monthly | **Annually**

Year	Annual Interest
2018	\$1,800
2019	\$3,800
2020	\$1,800
2021	\$0

\* 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 CDs”
- ▶ Then select the CD you wish to purchase and click “Replace”

**Rung 3**  
Select another bond to replace your current selection.

Overview Existing Holdings

Current Selection

Selection	Bond Type	QTY	Description	Rating	Coupon Rate	Maturity Date	Ask Price	Ask Yield	Yield Range	Attributes	Annual Interest	Estimated Cost <sup>1</sup>
<input type="radio"/>	CERTIFICATE OF DEPOSIT	1	UMPQUA BANK 2.050000 08/07/2019 02/07/20	-- / --	2.050	08/07/2019	100.00	2.050	1.850-2.050	CP, SFP, FDIC	\$21	\$1,000

Delete current selection and leave rung empty.

Alternate Available Bonds | 17 Results

**B**

Selection	Bond Type	QTY	Description	Rating	Coupon Rate	Maturity Date	Ask Price	Ask Yield	Yield Range	Attributes	Annual Interest	Estimated Cost <sup>1</sup>
<input type="radio"/>	CERTIFICATE OF DEPOSIT	1	STAR FINANCIAL BANK 2.050000 08/09/2019	-- / --	2.050	08/09/2019	100.00	2.050	1.850-2.050	CP, SFP, FDIC	\$21	\$1,000
<input type="radio"/>	CERTIFICATE OF DEPOSIT	1	WELLS FARGO BANK NA 2.050000 08/14/2019	-- / --	2.050	08/14/2019	100.00	2.050	1.850-2.050	CP, SFP, FDIC	\$21	\$1,000
<b>A</b> <input checked="" type="radio"/>	CERTIFICATE OF DEPOSIT	1	GOLDMAN SACHS BANK USA 2.000000 08/07/20	-- / --	2.000	08/07/2019	100.00	2.000	1.850-2.050	CP, SFP, FDIC	\$20	\$1,000
<input type="radio"/>	CERTIFICATE OF DEPOSIT	1	CHARTER BANK EC 2.000000 08/06/2019 02/	-- / --	2.000	08/06/2019	100.00	2.000	1.850-2.050	CP, SFP, FDIC	\$20	\$1,000

# 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

**Fidelity** CUSTOMER SERVICE | OPEN AN ACCOUNT | REFER A FRIEND | LOG IN

Accounts & Trade | Planning & Advice | News & Research | Investment Products

## Fixed Income, Bonds & CDs

Find Bonds & CDs | Research & Markets | Bond Tools | Service & Solutions | Understanding Bonds

Paying too much for bonds elsewhere? See how we can help you save over our competitors

Choose from 40,000 new issue and secondary market bonds and CDs, and approximately 60,000 total offerings when including our depth of book. Only \$1 per bond concession for secondary bond trading. \$0 for US Treasuries

Search Bonds or Funds: Bonds (selected) | Funds

By CUSIP or Type (for bond name): CUSIP

Search by CUSIP: Enter CUSIP number

**A** Search [X] Bond Ladder

Yields | Individual Bonds (88,828) | CDs & Ladders (3,812) | New Issues (285) | Funds | ETFs

Bond types and ratings are listed in the left column, maturities across the top. The numerical values represent the high or median yield for each category based on offerings that may be available. Select a value to see bond search results (requires login).

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	⊗	
Jack 111	Taxable	\$73,000.00	\$0.00	⊗	
jack	Taxable	Pending	Pending		
ffff	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	⊗	
CD ST 071416	Taxable	Pending	Pending		

**B**

# 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](#).

# 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 recently-added 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.



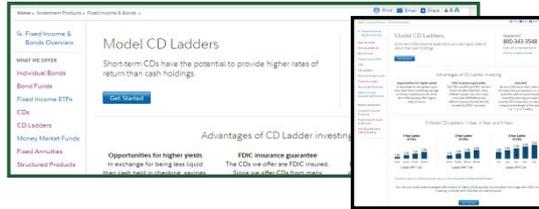
# Next Steps – Supporting your knowledge and actions

## 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**

# Thank You!

## Important information

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.

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.

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](http://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.

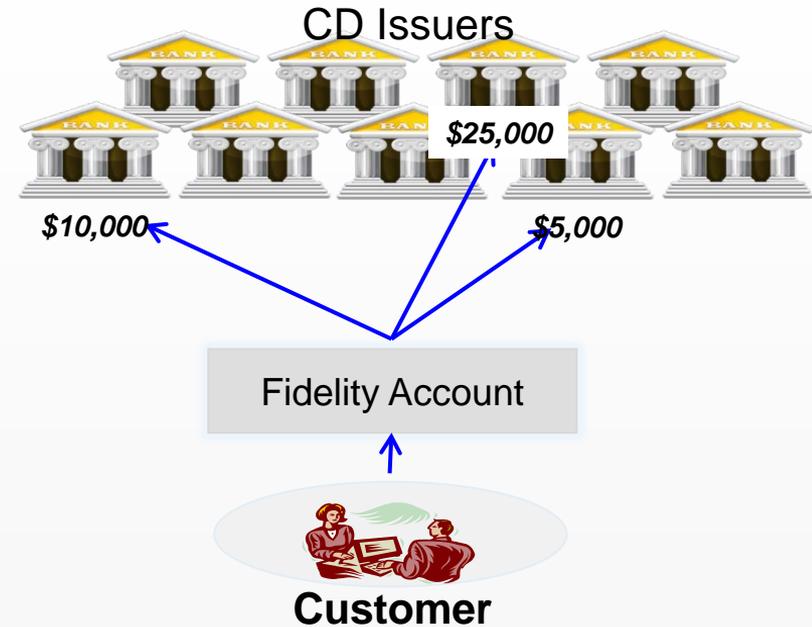
# Appendix



# What is Fidelity's CD Offering?

1. At any point in time, Fidelity typically offers over 100 new issue CDs from 20-50 different banks
2. In 2017 Fidelity offered new issue CDs from over 700 different banks
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.