

Selling bonds online – User guide

Introducing Selling bond online at Schwab

Schwab provides you with the ability to sell most fixed income securities online via Schwab.com if there are sufficient existing market bids available. If current bids cannot be found, or do not meet the quantity for which you want to trade, you may also request that Schwab look for bids to sell your bonds or CDs.

The new selling functionality on Schwab.com allows you to:

- See all existing bid (and ask) prices for a bond on the Market Depth tab
- If you choose, sell your bonds right on Schwab.com
- Request that Schwab look for more bids if there are insufficient bids for your position
- Receive an email alert when your bid is ready

This guide will help you understand the various ways to sell fixed income positions, how to view the existing bid side of the fixed income markets, and how and when to enter bid requests for bonds.

Selecting your position

To sell one of your fixed income positions, find the position you want to sell from the Positions page on Schwab.com and open the menu on the right side of the table.

Selecting a position to sell:

- 1 Select the Buy/Sell Bonds link to see available bid and ask prices for your position
- 2 You can also choose the Trade History link to review previous trading activity for this bond

before selecting to Buy or Sell.

The screenshot shows the Charles Schwab account dashboard for an individual account (4285-0412). The account value is \$188,815.52, with cash and cash investments totaling \$76,999.00. The market value is \$111,816.52, showing a day change of +\$22,855.89 (13.77%). A table of bond positions is displayed below, with a pop-up menu for the first row showing 'Buy/Sell Bonds' and 'Trade History' options.

Symbol	Quantity	Price	Price Change	Market Value	Day Change	Rating	Reinvest?	% of Account
00928QAF8 AIRCATTLE LIMIT 6.75%17F DUE 04/15/17 AIRCATTLE LIMITED	2,000	\$103.00	N/A	\$2,060.00	N/A	BB+ / Ba2	--	1.09%
02006DBL4 ALLY FINL INC MI 3.15%17 DUE 04/15/17	2,000	\$98.50	N/A	\$1,970.00	N/A	BB+ / Ba3	--	
0258M0DC0 AMERICAN EXPRESS 2.8%16 DUE 09/19/16	1,000	\$100.4974	N/A	\$1,004.97	N/A	A- / A2	--	0.53%
02687QBC1 AMERICAN INTL GRO 5.6%16 DUE 10/18/16	2,000	\$101.5155	N/A	\$2,030.31	N/A	A- / Baa1	--	1.08%
060505DA9 BANK OF AMERICA 5.42%17 DUE 03/15/17	1,000	\$102.8598	N/A	\$1,028.60	N/A	BBB / Baa3	--	0.54%

If you click the Buy/Sell Bonds link, you will be taken to the Market Depth tab to review bid and ask prices.

Viewing available quotes

The Market Depth table is found on the Bond Description pop-up and reflects existing quotes and associated quantities for a fixed income security. These are the prices and at which other market participants are willing to either buy (bid) or sell (ask) this security.

On the Market Depth pop-up, you can review all active bids for your position. If there are sufficient bids available, you may select the Sell link in the Action column and enter your order. When there are insufficient bids (either too few in number, the quantity of bonds for each bid, or priced too far from the last trade), you will be able to enter a bid request, and Schwab will send you the best sell price that we obtain for your order.

Note: When there are insufficient or no bids for your security, you must submit a Bid Request to sell your bond.

If you select a Sell link in the Action column from Market Depth, you will be taken to Order Entry Step 1 to complete your order. If you choose to submit a Bid Request, see the next section for using the Bid Request page.

Market Depth tab:

- 1 Use the Buy or Sell links to begin your order
- 2 When the Request a bid button is active, you can also request Schwab find you a custom bid

Security Description
Market Depth
Trade History

[Selling Bonds Online User Guide](#)

3M COMPANY 1.375% 09/29/2016

Page last updated: 02:11 PM ET, 07/01/2016 [Refresh](#)

The Market Depth table below displays real-time market bids and asks for this security. You must hold the position in this account in order to sell or initiate a bid request.

To begin a trade, click the appropriate Sell or Buy link in the Action column. If there are insufficient market bids available on a sell order, including partial quotes less than your quantity, you can request a bid quote for your security.

Request a bid
2

Quantity: ,000 Refresh

1 Bid (8)					1 Ask (1)				
Action	Min	Max	Price	YTM	Action	Min	Max	Price	YTM
Sell	1	100	100.210	0.450	Buy	2	50	100.306	0.031
Sell	1	500	100.113	0.875					
Sell	1	315	100.109	0.892					
Sell	1	387	100.106	0.905					
Sell	1	307	100.105	0.910					

Note: You must hold the position in your account to sell a fixed income security. We are unable to process a sell order for any securities held outside of Schwab.

About selling fixed income

Schwab will make a determination as to whether sufficient bids exist to execute your request to sell. If sufficient bids are not available (or there are bids available), you may use the Request a New Bid button to request a custom bid price. You may also have the choice to sell part of your security rather than place a current market bid or request a custom bid. This may happen when the highest priced bid quantity is less than the quantity entered in the Quantity box. There may also be

instances where we are unable to process an online order for a certain security and require you to call Schwab to complete your order.

Note: You are always able to request a custom bid for your security by calling a Fixed Income Specialist at 800-626-4600, Monday–Friday, 8:30 a.m.–6 p.m. ET.

Using the Bid Request page

The Bid Request page is used to send a request to the Schwab Fixed Income Trading desk in an effort to provide you with the best price available to Schwab to sell your security.

How to request a bid

Begin by selecting the position you want to sell from the Position drop-down. If you come to the Bid Request page via the Market Depth tab, your position and quantity will already be selected. Verify the quantity or face value is correct (the entire quantity of your position will be populated to start). You may only request a bid for positions currently held in your account.

If there are sufficient market bids for the security you have selected, you will be prompted to either sell your position or select another security. The system will only accept a bid request when insufficient current bids exist. Should you choose not to utilize the live bids to sell your position, a bid request may still be placed by calling a Fixed Income Specialist at 800-626-4600, Monday–Friday, 8:30 a.m.–6 p.m. ET.

Once your position and quantity are ready, you may either add them to the Bid Request List or send them to Schwab now. Use the Bid Request List if you wish to set up multiple bids at one time and review them before sending. All sent bids can now be viewed in the Bid Request Status table below. Once a Bid or Bid Request List is submitted, the requests appear near the bottom of the page in the Bid Request Status table. Once Schwab receives your request, it will take between 15 minutes and 1 hour (as a general rule) to return your bid quote to you to review.

The system is set up to send you an email notification when your bid is ready. If you wish to opt out of this email, you may select the “Do not notify me” option on the Bid Request page indicating you will monitor your bid requests on your own. Note: bids are time sensitive and subject to change. If you don’t have an email address on file with Schwab, you may add one using the link provided.

About bids

Unlike equities within the stock market, many fixed income securities don’t always have a standing two-sided market quotes available. When you need to sell your bond or CD, a counter party willing

to buy your bond or CD must be found. To complete the sale, there must either be existing market bids available or one must be obtained for you. Each bid request requires a quantity; changing the quantity can result in a different bid price. For some fixed income types that are more frequently traded, like Treasury bonds, Agency bonds, and some Corporate bonds, there will typically be an active, two-sided market where you can review the current bid prices and place a sell order at the best price. For other fixed income types, such as CDs and municipal bonds, there may not be an active market, in which case a bid request would be required in order to sell your position.

How to request a bid:

- 1 Select your position.
- 2 Verify the quantity.
- 3 Set email notification preferences.
- 4 Send your bid request directly to Schwab now.
- 5 Or, add your bid request to the Bid list for review later.

Bid Request Page:

Buy Bonds **Sell Bonds (46)**

To request a bid, select a position from the Select Position dropdown. You must hold a bond position in your account to request a bid. If you wish to enter multiple bid requests for multiple bond positions in this account, you may consider using the "Add to Bid Request List" button.

After a Bid or Bid list is submitted, the bond or bonds you entered will appear near the bottom of this page in the "Bid Request Status" section and show the status of your request(s) for you to act upon. Each account is allowed 2 bid requests per security over a 5 day period.

Request Bid

Request Bid List (Maximum 50 bid requests allowed)

1 **Position** [STANDARD PAC CORP 8.4%17 DUE ...] 2 **Quantity (Face Value)** \$ 2 ,000

CUSIP: 783764AN3 **Position:** 2,000

Maturity Date
May 15, 2017 (10 months and 14 days from today)

3 **How would you like to be notified when bids comes in?**

Notify me when my bid is ready at schwabclient@gmail.com

Do not notify me when my bid is ready. I am aware bids are time sensitive and I prefer to check back on my own.

[Edit Delivery Options](#)

Description	S&P Rating	Moody's Rating	Qty	Coupon	Maturity
BARCLAYS BANK PLC 3%16F DUE 11/10/16 BARCLAYS BANK PLC 06738JWB6	A-	A2	2	3	11/10/2016
LENNAR CORP 12.25%17 DUE 06/01/17 526057BA1	BB	Ba2	1	12.25	6/1/2017

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Bid Request Status

[Refresh](#) Data as of: 2:15 PM ET, 7/1/2016

Action	S&P Rating	Moody's Rating	Description	Coupon	Maturity	Callable	YTM	YTW	Qty	Best Bid	Next Best Bid # of Bids	Estimated Proceeds	Bid Requested/ Returned Time (ET)	Bid Status
Sell	BB+	Ba2	InterNat'l Lease Fin 8.75% 03/15/2017 459745GG4 Semi-Annual	8.8	03/15/2017	No	9.48	--	2	100.000	98.1000 1	\$1,992.70	07/01/16 08:40 AM	Ready
Sell	A-	Baa1	AMERICAN INTL GROUP 5.6% 10/18/2016 02687QBC1 Semi-Annual	5.6	10/18/2016	No	7.31	--	2	100.000	94.0000 1	\$1,991.21	07/01/16 08:34 AM	Ready
Sell	BB+	Ba1	CONSTELLATION BRAND STEP 05/15/2017 21036PAF5 Semi-Annual	7.3	05/15/2017	No	1.37	--	2	105.500	--	\$2,101.03	07/01/16 06:37 AM	Pending
Sell	BB+	Ba3	ALLY FINL INC Mid Te 3.15% 04/15/2017 Callable 02006DBL4 Monthly	3.2	04/15/2017	No	--	--	2	--	--	--	07/01/16 06:34 AM	Pending

Bid Request status

Bid Requests sent to Schwab can be viewed in the Bid Request Status table. Bids are displayed for the previous five business days unless you act on a request by entering a sell order. Once acted upon and a sell order is placed, any bid requests are removed from the Bid Request Status table.

Bid Status table highlights:

- 1 When your bid is ready, there will be an active sell link in the action column. This is the price at which you can sell you bond. To begin an order click on the buy or sell link.

Bid Request Status													Refresh Data as of: 2:21 PM ET, 7/1/2016		
1	Action	S&P Rating	Moody's Rating	Description	Coupon	Maturity	Callable	YTM	YTW	Qty	Best Bid	Next Best Bid # of Bids	Estimated Proceeds	Bid Requested/ Returned Time (ET)	Bid Status
	Sell	BB+	Ba2	InterNat'l Lease Fin 8.75% 03/15/2017 459745GG4 Semi-Annual	8.8	03/15/2017	No	9.48	--	2	100.000	98.1000 1	\$1,992.70	07/01/16 08:40 AM	Ready
	Sell	A-	Baa1	AMERICAN INTL GROUP 5.6% 10/18/2016 02687QBC1 Semi-Annual	5.6	10/18/2016	No	7.31	--	2	100.000	94.0000 1	\$1,991.21	07/01/16 08:34 AM	Ready
	Sell	BB+	Ba1	CONSTELLATION BRAND STEP 05/15/2017 21036PAF5 Semi-Annual	7.3	05/15/2017	No	1.37	--	2	105.500	--	\$2,101.03	07/01/16 06:37 AM	Pending
	Sell	BB+	Ba3	ALLY FINL INC Mid Te 3.15% 04/15/2017 Callable 02006DBL4 Monthly	3.2	04/15/2017	No	--	--	2	--	--	--	07/01/16 06:34 AM	Pending
	Resend	AA-	Aa1	TORONTO DOMINION BNK 2.5% 07/14/2016 89114QAB4 Semi-Annual	2.5	07/14/2016	No	--	--	2	--	--	--	06/30/16 11:45 PM	Expired
	Resend	NR	B3	Gol Finance 7.5% 04/03/2017 38045UAC4 Semi-Annual	7.5	04/03/2017	No	--	--	2	--	--	--	06/30/16 11:33 PM	Expired

There are four possible bid status states that show you where your bid request is in the process:

Bid Status	Meaning
Ready	The bid is ready, and you can now place a sell order.
Pending	The request is received and we are gathering bid prices for you.
Expired	The market has closed, and this bid request is no longer active.
Resent	We have received the second request for a bid quote.

Information in the Bid Request Status table:

The bid status table provides summary information to help you evaluate whether or not to accept the bid.

- **Action:** When your bid is ready, the Sell link will display, which can be used to enter your sell order.
- **Ratings:** Displays the Moody's and S&P ratings for your security.
- **Descriptive information:** View the bond name, coupon, maturity date, and callable status.
- **Price and Yields:** The best bid price found for your request will be displayed in the Quote column. You will see the corresponding Yield to Maturity and Yield to Worst based on your bid price.

- **Next Best Bid/# of Bids:** Shows the next highest bid price obtained for your request along with the total number of bids Schwab received for your request.
- **Estimated Proceeds:** This is the total dollar amount including accrued interest you would receive for selling the full quantity of your request at the quote price.
- **Bid Requested/Returned Time (ET):** This displays the time at which you entered your bid request and the time it was returned to you.

Important information about bid requests

Number of bid requests you can submit

To provide the best possible price to clients and limit demands on our system, Schwab restricts bid requests to two bid requests per security per account in a five-business-day period, assuming a quote is returned and no sell order is placed. When attempting a second bid request for a security, you will be notified this is your second request within the five-day period. If you attempt a third, you will be asked to call a Fixed Income Representative to sell your position. Also, the system allows you to have one active bid request per security at a time. This is because each request is manually handled and is specific to your security and quantity.

Note: If you enter a sell order or your requests are five days apart, the aforementioned notifications don't apply. Bidding the same security on consecutive days can result in lower bid prices. To prevent this, we ask you to speak with a Fixed Income Representative after submitting two bid requests over a five-day period.

When to submit a bid request

The system makes a determination if there are sufficient market bids available and whether you may request a bid for your security. For Treasury, Agency, and some Corporate bonds, there will generally be a deep, active market and you will be prompted to sell your bond using the best price. For other securities like CDs, Municipals, Mortgage-backed securities, some Corporate bonds, and structured products, there generally are fewer active market bids and you will need to submit a bid request to sell your bond.

Note: You are always able to call a Fixed Income Specialist during market hours and request they enter a bid request for your position.

How to cancel or change a bid request

To change or cancel an active bid request, you must call a Fixed Income Specialist at 800-626-4600.

The system allows you to have one active bid request per security at a time. This is because each request is manually handled and is specific to your security and quantity.

Note: Each bid request price is based off of the requested quantity and comes from a single contra-dealer or Schwab. Therefore, changing the quantity of the request can result in a change in the returned bid price for the security you wish to trade.

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