BulletShares® ETF Bond Laddering Tool
Build a More Efficient Ladder Strategy

Building a laddered portfolio with individual bonds presents a number of challenges, including limited bond availability, credit risk and concentrated bond exposure. Laddering with BulletShares ETFs may offer greater diversification\(^1\), transparency\(^2\), and generally lower costs\(^3\) than building a laddered portfolio with individual bonds.

The BulletShares ETF Bond Laddering Tool provides a cost-effective and diversified approach to creating a laddering strategy.

Steps to a BulletShares ETF ladder strategy

**SELECT** from the suit of BulletShares ETFs:
- Choose investment grade and/or high yield
- Select the year in which the first leg of your BulletShares ladder will mature
- Select the desired maturity range for your BulletShares ladder
- De-select individual BulletShares ETFs, if needed

**WEIGHT** individual BulletShares ETFs according to your preference.

**VIEW** your hypothetical portfolio’s duration, distribution rate, yield-to-maturity, yield-to-worst and number of holdings. Adjust selections, as necessary, to arrive at desired portfolio characteristics.

Build a ladder strategy to meet your needs

The BulletShares ETFs Bond Laddering Tool may be utilized to create ladder strategies or fill gaps in existing strategies.

BulletShares ETFs and the new ETF Bond Laddering Tool offer a cost-effective and diversified approach to illustrating and implementing an efficient laddering strategy.

To access the BulletShares ETF Bond Laddering Tool, please visit bulletshares.com.

\(^1\) Diversification does not guarantee a profit or eliminate the risk of loss. \(^2\) ETFs disclose their full portfolio holdings daily. \(^3\) Since ordinary brokerage commissions apply for each buy and sell transaction, frequent trading activity may increase the cost of ETFs.
Duration is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates. Duration is expressed as a number of years. Distribution rate is a measurement of cash flow paid by an ETF. Yield-to-maturity is the total return anticipated on a bond if the bond is held until it matures. Yield-to-worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The 30-day SEC yield is a yield calculation that captures the effective rate of interest an investor may receive in the future. Effective duration is a duration calculation for bonds where this measure of duration takes into account the fact that expected cash flows will fluctuate as interest rates change.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The fund’s return may not match the return of the underlying index. The funds are subject to certain other risks. Please see the current prospectus for more information regarding the risks associated with an investment in the funds. Investments focused in a particular sector are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments. The funds are non-diversified and may experience greater volatility than a more diversified investment. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. During the final year of the funds’ operations, as the bonds mature and the portfolio transitions to cash and cash equivalents, the funds’ yield will generally tend to move toward the yield of cash and cash equivalents and thus may be lower than the yields of the bonds previously held by the funds and/or bonds in the market. An issuer may be unable or unwilling to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer’s credit rating. The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues. Income generated from the fund is derived primarily on prevailing interest rates, which can vary widely over the short- and long-term. If interest rates drop, the fund’s income may drop as well. During periods of rising interest rates, an issuer may exercise its right to pay principal on an obligation later than expected, resulting in a decrease in the value of the obligation and in a decline in the funds’ income. An issuer’s ability to pay principal prior to maturity can limit the funds’ potential gains. Prepayments may require the funds to replace the loan or debt security with a lower yielding security, adversely affecting the funds’ yield. The funds currently intend to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the funds’ investments. As such, investments in the funds may be less tax efficient than investments in ETFs that create and redeem in-kind. Unlike a direct investment in bonds, the funds’ income distributions will vary over time and the breakdown of returns between fund distributions and liquidation proceeds are not predictable at the time of investment. For example, at times the funds may make distributions at a greater (or lesser) rate than the coupon payments received, which will result in the funds returning a lesser (or greater) amount on liquidation than would otherwise be the case. The rate of fund distribution payments may affect the tax characterization of returns, and the amount received as liquidation proceeds upon fund termination may result in a gain or loss for tax purposes. The values of junk bonds fluctuate more than those of high quality bonds and can decline significantly over short time periods. During periods of reduced market volatility or in the absence of readily available market quotations for the holdings of the fund, the ability of the fund to value its holdings becomes more difficult and the judgment of the sub-adviser may play a greater role in the valuation of the fund’s holdings due to reduced availability of reliable objective pricing data.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial advisor/financial consultant before making any investment decisions. Note: Not all products are available through all firms.

Not FDIC insured | May Lose Value | No Bank Guaranteed

Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund call 800.983.0903 or visit powershares.com for the prospectus/summary prospectus.