



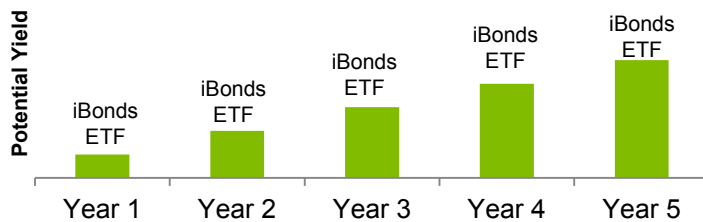
## iBonds® ETFs Build Better Bond Ladders

### Build More Efficient Bond Ladders Using iBonds

iBonds ETFs offer investors an easier way to build and maintain bond ladders. iShares iBonds ETFs are designed to:

- ▶ **Mature, like a bond.** iBonds ETFs are investment grade bond funds that have a specified maturity date. Like individual bonds, you are exposed to less interest rate risk over time as iBonds ETFs approach maturity.
- ▶ **Trade, like a stock.** iBonds ETFs trade throughout the day on the exchange, so you are not subject to trading in the over-the-counter (OTC) bond market.
- ▶ **Diversify, like a fund.** Exposure to hundreds of bonds in a single fund.

### Bond Ladders Just Got Easier to Manage



#### Consider these applications:

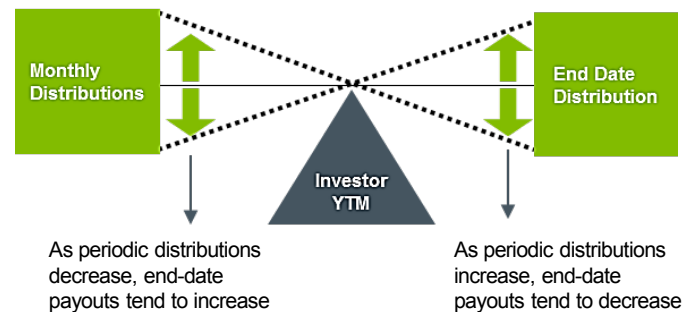
- ▶ Create new bond ladders with iBonds ETFs
- ▶ Plug holes in existing ladders when bonds mature, get called or default
- ▶ Reinvest bond coupons into iBonds ETFs

For illustrative purposes only. Not meant to portray any specific fund yield.

### How it works during the life of the ETF

- ▶ iBonds are designed to provide a yield to maturity profile (YTM) comparable to that of the underlying bond portfolio. The fund seeks to preserve an investor's anticipated yield to maturity through a combination of monthly distributions and a final end-date distribution. On any given day, you can see the current yield to maturity of an iBonds portfolio on iShares.com
- ▶ Monthly distributions can be variable depending on changes in market yields and fund assets
- ▶ Changes in distribution amounts are expected to be offset by an opposite change in final NAV to preserve investor anticipated yield to maturity

#### Anticipated investor YTM driven by monthly income distributions and end-date distribution



Suite	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Corporate	IBDH	IBDK	IBDL	IBDM	IBDN	IBDO	IBDP	IBDQ	IBDR	IBDS	IBDT
Municipal		IBMH	IBMI	IBMJ	IBMK	IBML	IBMM	IBMN			

[iShares.com/iBonds](https://www.ishares.com/iBonds)

## How it works at maturity

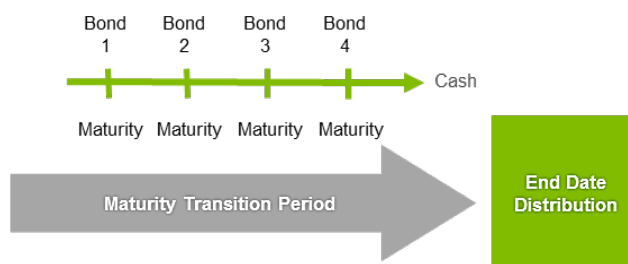
Each ETF will terminate in September or December of the year of the fund name

During the maturity transition period, bonds will mature and the portfolio will transition to cash and cash equivalents

- Corporates: January 1<sup>st</sup> to December 15<sup>th</sup>
- Municipals: June 1<sup>st</sup> to September 1<sup>st</sup> (Jan1<sup>st</sup> to Dec 1<sup>st</sup> for the 2021,2022 series) of the respective year.

After all of the bonds in the portfolio mature, the ETF will delist from the exchange and make a final distribution to shareholders, similar to a principal repayment of an individual bond at maturity.

**As bonds mature, the ETF will transition to cash equivalents**



## Structure Comparison

	iBonds®	Individual Bonds	Traditional Fixed Income ETFs	Mutual Funds	Closed End Funds (Term Trusts)
<b>Diversified Portfolio</b>	Yes	No	Yes	Yes	Yes
<b>Distributions</b>	Monthly	Semi-annual	Monthly	Monthly	Monthly
<b>Set Maturity Date</b>	Yes	Yes	No	No	Yes
<b>Trading</b>	Exchange	OTC	Exchange	N/A – Transact with Fund Sponsor at NAV	Exchange
<b>Duration Declines Over Time</b>	Yes	Yes	No	No	Yes
<b>Transparent intraday prices</b>	Yes	No	Yes	No	Yes
<b>Liquidity</b>	Trade on exchanges intraday at market price, which may be greater or less than its NAV	Varies based on the type of bond.	Trade on exchanges intraday at market price, which may be greater or less than its NAV	Accessed directly through the fund company or through a select broker. Bought/sold once per day	Trade on exchanges intraday at market price independent of NAV
<b>Costs and Expenses</b>	Expense ratio + transaction/brokerage costs	Transaction/mark up costs + brokerage costs (if applicable)	Expense ratio + transaction/brokerage costs	Expense ratio + any sales loads/redemption fees + other expenses (12b-1 fees)	Expense ratio + transaction/brokerage costs

**Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses, which may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.BlackRock.com](http://www.BlackRock.com). Read the prospectus carefully before investing.**

**Investing involves risk, including possible loss of principal.**

Diversification may not protect against market risk or loss of principal. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained. Fixed Income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to federal or state income taxes or the Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable. Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets, asset classes or the general securities market. Shares of the Fund trade at market price, which may be greater or less than net asset value.

The iShares iBonds ETFs will terminate in September or December of the year in the fund's name. An investment in the Fund(s) is not guaranteed, and an investor may experience losses, including near or at the termination date.

In the final months of the Fund's operation, as the bonds it holds mature, its portfolio will transition to cash and cash-like instruments. Following the Fund's termination date, the Fund will distribute substantially all of its net assets, after deduction of any liabilities, to then-current investors without further notice and will no longer be listed or traded. The Funds do not seek to return any predetermined amount.

During the months prior to the Fund's planned termination date, its yield will generally tend to move toward prevailing money market rates (or, the case of the Muni iBonds ETFs, tax-exempt money market rates), and may be lower than the yields of the bonds previously held by the Fund and lower than prevailing yields for bonds in the market.

The rate of Fund distribution payments may adversely affect the tax characterization of an investor's returns from an investment in the Fund relative to a direct investment in bonds. If the amount an investor receives as liquidation proceeds upon the Fund's termination is higher or lower than the investor's cost basis, the investor may experience a gain or loss for tax purposes.

When comparing stocks or bonds and iShares Funds, it should be remembered that management fees associated with fund investments, like iShares Funds, are not borne by investors in individual stocks or bonds. Buying and selling shares of iShares Funds will result in brokerage commissions.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

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