



# NASDAQ BULLETSHARES<sup>®</sup> CORPORATE BOND BENCHMARK STATEMENT

AUGUST 2020

## Purpose

The purpose of this document is to outline the information required in Article 27 of the EU regulation on indices used as financial benchmarks (“BMR”) and Commission Delegated Regulation (EU) 2018/1643. The document includes clear definitions of the market or economic reality measured by the benchmarks and the circumstances in which such measurement may become unreliable, outlines rules around exercise of judgement or discretion and provides some additional information about the benchmarks.

### GENERAL DISCLOSURE

Benchmark Names	Nasdaq BulletShares® USD Corporate Bond 2020 Index Nasdaq BulletShares® USD Corporate Bond 2021 Index Nasdaq BulletShares® USD Corporate Bond 2022 Index Nasdaq BulletShares® USD Corporate Bond 2023 Index Nasdaq BulletShares® USD Corporate Bond 2024 Index Nasdaq BulletShares® USD Corporate Bond 2025 Index Nasdaq BulletShares® USD Corporate Bond 2026 Index Nasdaq BulletShares® USD Corporate Bond 2027 Index Nasdaq BulletShares® USD Corporate Bond 2028 Index Nasdaq BulletShares® USD Corporate Bond 2029 Index Nasdaq BulletShares® USD Corporate Bond 2030 Index
Benchmark Family	Nasdaq BulletShares® Corporate Bond
Type of Benchmark	Non-significant benchmark
Date of publication of initial benchmark statement	March 2019
Date of last update to benchmark statement	August 2020
Contributions of input data	None

### KEY TERMS OF THE BENCHMARK/BENCHMARK FAMILY

General description of the market or economic reality	Nasdaq BulletShares® Corporate Bond Indexes are designed to provide maturity-targeted exposure to the US dollar-denominated investment grade corporate bond market.
Geographical boundaries of the market or economic reality, where applicable	Nasdaq BulletShares® Corporate Bond Benchmark indexes provide exposure to US dollar-denominated bonds issued by companies domiciled in the US, Canada, Western Europe or Japan.
Description of the input data	See the ‘Index Calculation and the Role of the Calculation Agent’ section of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
The priority given to different types of input data	See the ‘Index Calculation and the Role of the Calculation Agent’ section of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
The minimum data needed to determine a benchmark	See the ‘Index Calculation and the Role of the Calculation Agent’ section of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .

The use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index	See the 'Governance' and 'Updates' sections of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
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#### **POTENTIAL LIMITATIONS OF THE BENCHMARK**

The procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods	See the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
The identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs	See the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
Circumstances in which the administrator would lack sufficient input data to determine the benchmark according to the methodology	See the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .

#### **EXERCISE OF JUDGMENT OR DISCRETION IN THE CALCULATION OF THE BENCHMARK**

Indicate the position of each function or body that may exercise discretion	Invesco is not exercising any expert judgement or discretion in daily calculation of the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family. In unusual cases not effectively addressed by the methodology, discretion can be exercised by the Calculator, as described in the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Nasdaq BulletShares® Corporate Bond Benchmark Family found on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
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#### **CHANGES TO AND CESSATION OF THE BENCHMARK**

The procedures for changes to and cessation of the benchmark are outlined in 'Changes to Benchmark Methodology and Cessation Policy'
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#### **ERROR HANDLING**

The procedures for dealing with errors in input data or in the determination of the benchmark, including when a re- determination of the benchmark is required	See 'Recalculation Policy for Invesco Indexing Indexes and Benchmarks'.
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## BENCHMARK UPDATES

The benchmark composition

Prior to the maturing year of an Index, the Index is reconstituted semi-annually (June, December) and rebalanced monthly (all other months).

During the maturing year of an Index, there is no reconstitution. The portfolio of bonds established in connection with the reconstitution at previous year end will be fixed for the remainder of the life of the Index. The Index's constituents are set to float due to market value changes and are no longer rebalanced on a monthly basis.

The benchmark methodology review

Invesco Indexing periodically, at least annually, reviews each Index and its accompanying methodology in an effort to ensure the Index continues to accurately represent that portion of the market it was originally intended to, and deliver the outcomes one would expect from the Index's exposures.

The procedures for the internal review of the methodologies, changes to the methodologies and procedures performed when the Index administered is ceasing publication are described in detail in the 'Changes to Benchmark Methodology and Cessation Policy'.

## Review

This document will be reviewed by Invesco Indexing LLC on an annual basis. Additional reviews may be conducted during extreme market events, such as ongoing insufficient underlying market liquidity, insufficient input data or after significant market events that significantly affect the benchmark.

Last Review: August 2020