



Innovator Launches Equity Managed Floor ETF™ (SFLR), Unique Core Portfolio Investment Strategy Designed to Address Tail Risk in Stocks

Innovator Equity Managed Floor ETF™ (SFLR) is an equity-based ETF that seeks to limit the potential for maximum losses, yet also offer upside participation and dividend income

Tail risk represents a unique concern amongst advisors

SFLR intended as a strategic, core equity solution that can serve as a long-term strategic allocation in a portfolio setting; Active ETF to be composed of stocks with an options overlay

CHICAGO, IL November 9, 2022 -- [Innovator Capital Management](#), LLC (Innovator), the [Defined Outcome ETFs™](#) pioneer, today announced the listing of the [Innovator Equity Managed Floor ETF™ \(SFLR\)](#) on NYSE Arca. SFLR seeks to deliver investors U.S. equity upside and income potential, while limiting a shareholder's potential for maximum loss through a sophisticated options overlay. The fund will be subadvised by [Parametric Portfolio Associates LLC \(Parametric\)](#), the leading provider of systematic investment strategies and custom portfolio solutions.

"We're very excited to be working with Parametric to list [the Innovator Equity Managed Floor ETF™](#), a core portfolio product that we've been brainstorming for some time. SFLR is constructed with stocks and an intelligent options overlay to help investors limit equity market drawdowns while gaining exposure to equities' dividend income streams as well as their upside potential during strong positive market environments. Parametric has long been the industry leader in designing and managing customized quantitative strategies for large institutional investors, including family offices, asset owners and some of the largest RIAs and we think advisors will find the Innovator Equity Managed Floor ETF™ strategy very compelling," stated [Bruce Bond, Co-Founder and CEO of Innovator ETFs](#).

SFLR's portfolio will consist predominantly of S&P 500 Index stocks, with the subadvisor implementing a representative sampling strategy to efficiently gain exposure to returns of the

referenced index. As part of the equity sampling methodology, SFLR will seek to provide investment income, distributing dividends from the portfolio's stock holdings back to fund shareholders.

Through a custom-developed, ladder options strategy, the Innovator Equity Managed Floor ETF™ will target a maximum loss of approximately 10% on a rolling 12-month basis. The ladder options strategy employed by SFLR seeks to maximize upside potential. This should allow investors to more fully participate in high-returning environments for the fund's large-cap domestic stock benchmark.

“At Parametric, we believe that managing risk can elevate investors' expected outcomes over the long term. The disciplined and transparent nature of the option methodology that underpins SFLR can potentially provide a durable and central core holding in many portfolios, able to add true value across a range of market environments,” said [Thomas Lee, CFA, CIO of Parametric](#).

SFLR will carry an annual expense ratio of 0.89%. The prospectus for the Innovator Equity Managed Floor ETF™ can be found [here](#).

The ETF is Innovator's first equity Managed Floor ETF™ and follows Innovator's launch of the first fixed income Floor ETF™, the [Innovator 20+ Year Treasury Bond 5 Floor ETF \(TFJL\)](#) in [August 2020](#). SFLR will not offer a defined outcome with an exact level of downside protection or a cap or limit on the upside over a specific amount of time.

With over \$4.8B inflows year-to-date, Innovator has seen significant advisor interest in its lineup of Defined Outcome ETFs™ that use forward-looking investment strategies. The sponsor has amassed nearly \$10 billion in assets under management¹ since listing the first Buffer ETFs™ in August 2018, creating one of the fastest-growing categories in the investing world. As stock and bond prices have both fallen in 2022, Innovator achieved the most inflows of any sub-\$10 billion AUM asset manager of mutual funds or ETFs for the first², second³ and third quarters⁴.

About Innovator Capital Management, LLC

Awarded ETF.com's "ETF Issuer of the Year - 2019"*, Innovator Capital Management LLC (Innovator) is an SEC-registered investment advisor (RIA) based in Wheaton, IL. Formed in 2017, the firm is currently headed by ETF visionaries Bruce Bond and John Southard, founders of one of the largest ETF providers in the world. Bond and Southard reentered the asset management industry to bring to market the Defined Outcome ETFs™, first-of-their-kind investment

¹ Through 11.04.2022.

² According to data from Morningstar Direct as cited by MFWire.com:

<http://www.mfwire.com/article.asp?storyID=64284&wireID=2&r=innovator&template=article&bhcp=1>

³ According to data from Morningstar Direct as cited by MFWire.com:

<http://www.mfwire.com/article.asp?storyID=64667&wireID=2&r=innovator&template=article&bhcp=1>

⁴ According to data from Morningstar Direct as cited by MFWire.com:

<http://www.mfwire.com/article.asp?storyID=65032&bhcp=1>

products that they felt would change the investing landscape and bring more certainty to the financial planning process. Innovator's category-creating Defined Outcome ETF™ family includes Buffer ETFs™, Floor ETFs™, Accelerated ETFs™ and Managed Outcome ETFs™. Since the 2018 launch of their flagship Innovator U.S. Equity Buffer ETF™ suite, Innovator's solutions have helped advisors construct portfolios and manage risk to fit their client's unique financial needs. Built on a foundation of innovation and driven by a commitment to help investors better control their financial outcomes, Innovator is leading the Defined Outcome ETF Revolution™. For additional information, visit www.innovatoretfs.com.

About Parametric

Parametric, part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley (NYSE: MS), uses investment science to build and manage systematic investment strategies and to implement custom portfolio solutions providing clients with targeted investment exposures with control of costs and taxes. Based on principles of intellectual rigor, ingenuity and transparency, Parametric seeks to deliver repeatable client outcomes with consistently high levels of service and maximum efficiency. As of September 30, 2022, Parametric managed \$366+ billion in assets on behalf of institutions, high-net-worth individuals and fund investors. Headquartered in Seattle, Parametric also has offices in Minneapolis, New York, Boston, Westport, Connecticut and Alpharetta, GA. For more information, visit parametricportfolio.com.

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The Fund's investment objectives, risks, charges and expenses should be considered before investing. The prospectus contains this and other important information, and it may be obtained at innovatoretfs.com. Read it carefully before investing.

The Fund seeks to provide risk-managed investment exposure to the Solactive GBS United States 500 Index through its hedging strategy. There is no guarantee that the Fund will be successful in implementing its strategy to provide a hedge against overall market exposure. The fund seeks to achieve its investment objective by purchasing substantially all of its assets in a

series of four, one-year Flex Options packages with "laddered" expiration dates that are 3 months apart. The Fund will also systemically sell short-dated call option contracts, which have an expiration date of approximately two weeks, with an objective of generating incremental returns above and beyond the premium outlay of the protective put option contracts. **The Fund does not provide principal protection or non-principal protection, and an investor may experience significant losses on its investment. In a market environment where the S&P 500 is generally appreciating, the Fund may underperform the S&P 500 and/or similarly situated funds.**

Investing involves risks. Loss of principal is possible.

The Sub-Adviser will seek to "ladder" the Fund's option contracts by entering into new purchased put option contracts packages every three-months.

As a result of the Fund's laddered investment approach, on an ongoing basis the Fund will experience investment floors that are expected to be greater or less than the 10% floor provided by an individual Options Portfolio. The Fund is actively managed and seeks to provide capital appreciation through participation in the large-capitalization U.S. equity securities of the S&P 500® Index (the "S&P 500") while limiting the potential for maximum losses. Because the Fund ladders its option contracts and the Fund's put option contracts will have different terms (including expiration dates), different tranches of put option contracts may produce different returns, the effect of which may be to reduce the Fund's sought-after protection. Therefore, at any given moment the Fund may not receive the benefit of the sought-after protection on losses that could be available from Options Portfolio with a single expiration date. FLEX Options Risk. The Fund will utilize FLEX Options issued and guaranteed for settlement by the Options Clearing Corporation (OCC). In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses. Additionally, FLEX Options may be less liquid than standard options. In a less liquid market for the FLEX Options, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. The values of FLEX Options do not increase or decrease at the same rate as the reference asset and may vary due to factors other than the price of reference asset.

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