

# Understanding how Defined Outcome ETFs™ rebalance

The Innovator Defined Outcome ETFs™ are perpetual products that are designed to rebalance each year on the ETF's anniversary date. At the beginning of each outcome period the ETFs are set with defined parameters, a known upside cap and downside buffer over a one-year outcome period. At the end of each outcome period the ETF will rebalance into a new one year outcome period.

The rebalance is simple, consisting of the ETF taking the proceeds of the expiring basket of one-year options and reinvesting into a new set of one-year options that will construct the ETF's defined outcome parameters for the next year. This is all done simultaneously, with no intervention needed from the investor. The rebalance does not create a taxable event for ETF shareholders.

A few key considerations for the ETF's new defined outcome parameters:

**INDEX LEVEL:** The ETF's new defined outcome parameters are based on the traded reference asset price level.

**NAV:** The ETF's final NAV at the end of the outcome period is also the beginning NAV for the new outcome period.

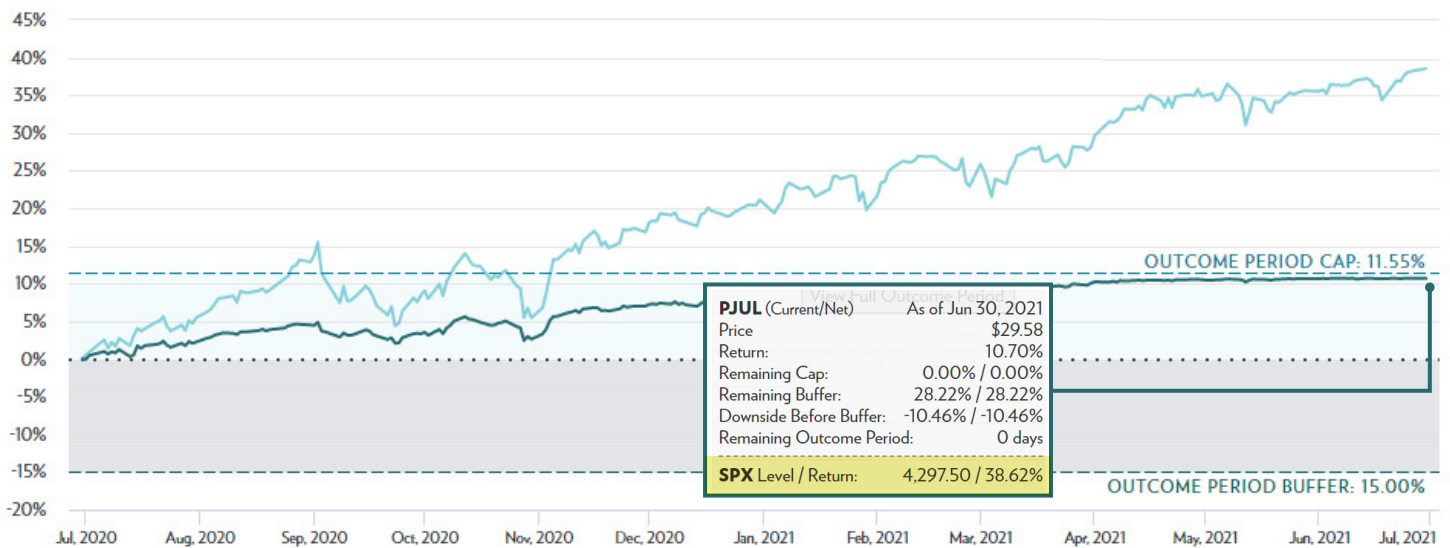
**CAPS AND BUFFERS:** The new caps and buffers are based on the reference asset price level and the ETF's final NAV.

**NEW OUTCOME PERIOD PARAMETERS:** Take effect at the close of the last trading day of the outcome period. When the market opens on the first trading day of the new outcome period, the new parameters are already in place.

The Funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. For more information regarding whether an investment in the Fund is right for you, please see "Investor Suitability" in the prospectus. There is no guarantee the funds will achieve their investment objective.

Please see a historical example of the Innovator U.S. Equity Power Buffer ETF - March below:

● Innovator U.S. Equity Power Buffer ETF - March ● S&P 500 Price Return Index



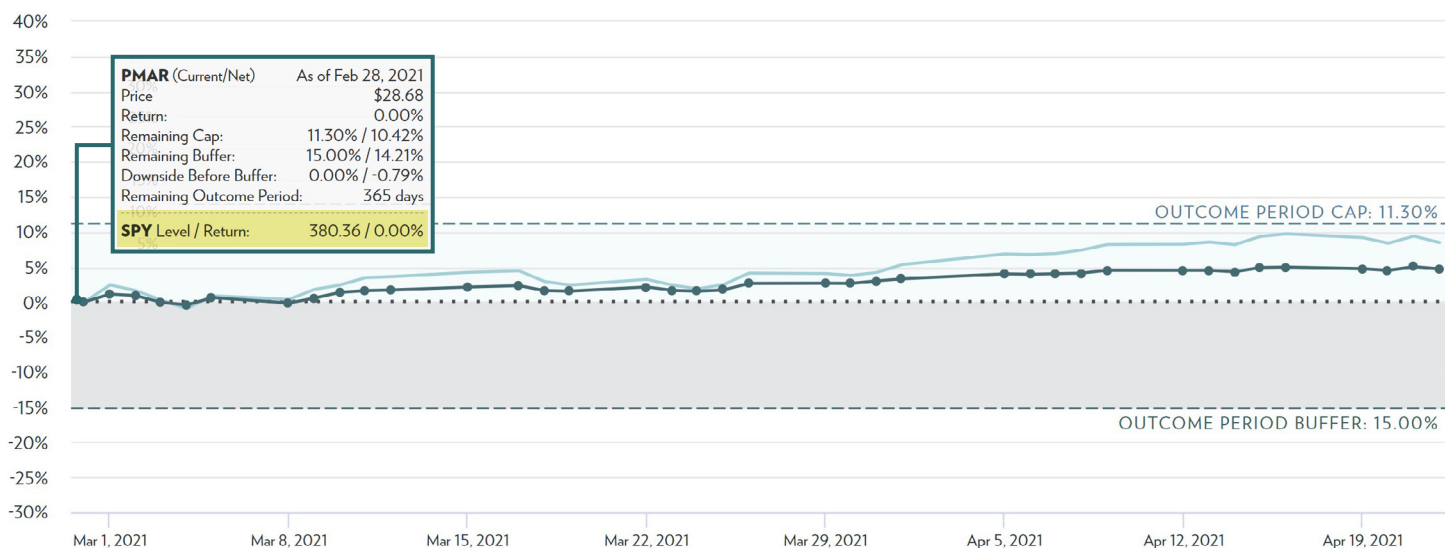
## CURRENT OUTCOME PERIOD VALUES (CURRENT/NET) ③

AS OF 6/30/2021

Fund Price ①	Fund Return ②	SPX Return ③	Remaining Cap ④	Remaining Buffer ⑤	Downside Before Buffer ⑥	Remaining Outcome Period ⑦
\$29.58	10.70%	38.62%	0.00% / 0.00%	28.22% / 28.22%	-10.46% / -10.46%	0 days

Performance quoted represents past performance, which is no guarantee of future results. Investment returns and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. The most recent month-end performance can be found at [innovatoretfs.com](http://innovatoretfs.com)

● Innovator U.S. Equity Power Buffer ETF - March ● S&P 500 Price Return Index



## CURRENT OUTCOME PERIOD VALUES (CURRENT/NET) ①

AS OF 4/22/2021

Fund Price ①	Fund Return ②	SPY Return ③	Remaining Cap ④	Remaining Buffer ⑤	Downside Before Buffer ⑥	Remaining Outcome Period ⑩
\$30.03	4.70%	8.45%	6.19% / 5.47%	17.03% / 16.35%	-4.60% / -5.28%	312 days

## REMINDERS

- » For a reset (rebalance), the price on the last day of the previous outcome period becomes the price on the first day of the new outcome period as described and shown above.
- » Buying one or two days before the new outcome period ensures that an investor receives the full parameters of the new outcome period. Full parameters include the entire 9%, 15%, or 30% buffer.
- » The final cap is provided at market close the day before the new outcome period, but cap ranges are offered five days before the new outcome period. While it is less common, the final cap may be outside the cap range.
- » Market fluctuations at market open on the day of a new outcome period can cause different outcomes than the initial parameters.

## HOW YOU CAN USE THE REBALANCE TO YOUR ADVANTAGE

Buying into an ETF before it enters a new outcome period offers investors two benefits.

- 1. RECEIVE FULL OUTCOME PERIOD PARAMETERS:**  
By purchasing the ETF prior to the rebalance ensures that an investor receives the full parameters of the upcoming new outcome period. Full parameters include the entire 9%, 15%, or 30% buffer as well as the full upside cap. This mitigates the risk of markets moving higher or lower prior to the open of the first day of trading which may alter the ETF's upside caps or buffers.
- 2. ACHIEVE A SHORTENED DEFINED OUTCOME:**  
An investor can achieve a defined outcome at any point during the outcome period. Leading up to a rebalance, investors are able to achieve a unique defined outcome over a shortened outcome period (as little as one day!). Additionally advisors can more confidently put cash to work, including cash "sitting on the sidelines," or replace existing equity exposure. Investors should visit the website for the most current defined outcome parameters.



STANDARDIZED PERFORMANCE	NAV			MARKET PRICE			INCEPTION DATE	
	TICKER	YTD	1 YEAR	INCEPTION	YTD	1 YEAR		INCEPTION
<b>Innovator U.S. Equity Power Buffer ETF - March</b>	<b>BMAR</b>	10.51%	22.24%	19.01%	10.73%	22.07%	19.01%	2/28/2020
	<b>PMAR</b>	7.12%	14.79%	12.80%	7.41%	14.20%	12.78%	2/28/2020
	<b>UMAR</b>	4.72%	9.90%	8.76%	4.84%	10.12%	8.78%	2/28/2020

Data as of 6/30/2021. Each expense ratio is 0.79%. Performance quoted represents past performance, which is no guarantee of future results. Investment returns and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit [innovatoretfs.com/define](http://innovatoretfs.com/define) for current month-end performance. Returns less than one year are cumulative. One cannot invest directly in an index. The NAV return is the total return of an ETF, based on its NAV at the beginning and end of the holding period.

Market returns are based on the bid/ask spread at 4 p.m. ET. and do not represent the returns an investor would receive if shares were traded at other times.

- Fund price:** The current bid/ask midpoint of the Fund, after fees and expenses.
- Fund return:** The current NAV return of the Fund, after fees and expenses, since the start of the Outcome Period.
- SPY return:** The return since the start of the Outcome Period.
- Remaining Cap:** The cumulative maximum potential return available at the ETF's current price if held to the end of the current Outcome Period.
- Remaining Buffer:** The current amount of downside protection the fund seeks to provide if held to the end of the Outcome Period.
- Downside Before Buffer:** The amount of loss a Fund will incur before seeking protection from the remaining buffer.
- Remaining Outcome Period:** The amount of days remaining until the last day of the Outcome Period.
- Cap:** The starting maximum potential return if held to the end of the current Outcome Period.
- Buffer:** The starting amount of downside protection the fund seeks to provide if held to the end of the Outcome Period.
- Outcome Period:** The intended length of time over which the defined outcomes are sought.

**Investing involves risks.** Loss of principal is possible. The Funds face numerous market trading risks, including active markets risk, authorized participation concentration risk, buffered loss risk, cap change risk, capped upside return risk, correlation risk, liquidity risk, management risk, market maker risk, market risk, non-diversification risk, operation risk, options risk, trading issues risk, upside participation risk and valuation risk. For a detail list of fund risks see the prospectus.

**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.

These Funds are designed to provide point-to-point exposure to the price return of the reference asset via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the reference asset during the interim period.

Investors purchasing shares after an outcome period has begun may experience very different results than funds' investment objective. Initial outcome periods are approximately 1-year beginning on the funds' inception date. Following the initial outcome period, each subsequent outcome period will begin on the first day of the month the fund was inceptioned. After the conclusion of an outcome period, another will begin.

Fund shareholders are subject to an upside return cap (the "Cap") that represents the maximum percentage return an investor can achieve from an investment in the funds' for the Outcome Period, before fees and expenses. If the Outcome Period has begun and the Fund has increased in value to a level near to the Cap, an investor purchasing at that price has little or no ability to achieve gains but remains vulnerable to downside risks. Additionally, the Cap may rise or fall from one Outcome Period to the next. The Cap, and the Fund's position relative to it, should be considered before investing in the Fund. The Funds' website, [www.innovatoretfs.com](http://www.innovatoretfs.com), provides important Fund information as well information relating to the potential outcomes of an investment in a Fund on a daily basis.

The Funds only seek to provide shareholders that hold shares for the entire Outcome Period with their respective buffer level against reference asset losses during the Outcome Period. You will bear all reference asset losses exceeding 9, 15 or 30%. Depending upon market conditions at the time of purchase, a shareholder that purchases shares after the Outcome Period has begun may also lose their entire investment. For instance, if the Outcome Period has begun and the Fund has decreased in value beyond the pre-determined buffer, an investor purchasing shares at that price may not benefit from the buffer. Similarly, if the Outcome Period has begun and the Fund has increased in value, an investor purchasing shares at that price may not benefit from the buffer until the Fund's value has decreased to its value at the commencement of the Outcome Period.

*The Funds' 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](http://innovatoretfs.com). Read it carefully before investing.*

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