

Trading the Innovator Defined Outcome ETFs™

The Innovator Defined Outcome ETFs invest and capture market exposures in the deepest, most liquid markets in the world. Each Defined Outcome ETF's underlying market exposures is accessible to market participants through a variety of financial instruments including options, futures, ETFs and common stock. This creates a healthy and robust system allowing market participants multiple avenues to access liquidity and manage risk.

The deep liquidity profile underlying Innovator's Defined Outcome ETFs allows investors to trade these ETFs in large sizes at competitive prices. It is critical to remember that the liquidity of an ETF is driven by the **underlying exposures** held by the ETF, not the ETF itself.

A hypothetical investment of \$500 million in the Innovator S&P 500 Buffer ETF – Jan (BJAN), can be executed with limited market impact since underlying exposure is SPY options. Options on SPY trade on average over \$183 billion in notional each day, a \$500 million trade in BJAN would only represent approximately 0.27% of the daily notional traded in SPY options.

INNOVATOR DEFINED ETFS	OPTION	OPEN INTEREST	AVE. DAILY NOTIONAL TRADED
U.S. Equity	SPY	\$897B	\$183B
Emerging Markets	EEM	\$37B	\$930M
International Developed	EFA	\$23B	\$803M
U.S. Small Cap	IWM	\$165B	\$11.5B
Growth-100	QQQ	\$383B	\$47B

Source: Bloomberg L.P. ADV 1/1/2020 – 8/31/2021, Open Interest as of 12/3/2020.

In addition, the underlying FLEX option positions held by the Innovator ETFs have full price transparency and are cleared by the Options Clearing Corporation (OCC) reducing counter-party risk.

FLEX Options are issued and guaranteed for settlement by the OCC. In the unlikely event that the OCC becomes insolvent, the ETF could suffer significant losses. FLEX Options may be less liquid than standard options. In a less liquid market for FLEX options, the ETF may have difficulty closing out certain FLEX Options positions at desired times and prices.

These ETFs have characteristics unlike many other traditional investment products and may not be suitable for all investors.

Best Trading Practices

While most investors are aware of the cardinal rules of ETF trading (use limit orders, avoid the open/close, check the iNAV, etc.), investors may benefit from the following tips when buying/selling Innovator Defined Outcome ETFs.

FAQ'S: TRADING INNOVATOR DEFINED OUTCOME ETFS

WHEN CAN I TRADE?

Investors can buy/sell Innovator Defined Outcome ETFs just like any other ETF. These ETFs are actively quoted/traded during market hours. Furthermore (unlike traditional structured products), investors can buy/sell at any point during an outcome period with ease. Investors can also remain confident that their execution will be consistent due to the deep liquidity profile underlying Innovator's Defined Outcome ETFs. The tradability of Defined Outcome ETFs is yet another benefit of the ETF structure, and it allows investors to transact with minimal friction.

If an investor decides to transact intra-outcome period, he/she can view the current ETF cap/buffer levels via the "pricing tool" on [Innovator's website](#).

WHEN SHOULD I TRADE?

While investors may initiate a position at any point during an outcome period, activity tends to be highest around the rebalance date for Defined Outcome ETFs. Why is that so? Investors who purchase & hold these ETFs from start to end of an outcome period will receive the stated cap + buffer levels. Investors who purchase after the first day of an outcome period will also experience a defined outcome (but with a difference set of caps and buffers) if they hold for the remainder of the outcome period. For investors seeking the stated caps/buffers, we generally recommend initiating a position 1-2 days before the first trading day of a new outcome period.

Example: PMAR (S&P 500 Power Buffer ETF) rebalanced on 3/1/21 and began its new outcome period, with a starting cap of 11.3% and buffer of 15%. On day 1 of the new outcome period (3/1/21), SPY rallied 2.42%, resulting in a 1.1% return for PMAR and corresponding 10% remaining cap/1.1% downside before the 15% buffer.

WHAT IF I SEE LOW VOLUME OR A WIDE SPREAD? DO THESE ETFs TRADE AT A PREMIUM/DISCOUNT?

Low volume should be of no concern. Remember, an ETF’s liquidity is derived from the liquidity of its underlying components. Innovator ETFs track the largest and most well-known underlying indices; there is considerable liquidity underlying each of the ETFs. Innovator can assist with tightening spreads & advising on limits (being cognizant of fair value). Oftentimes, the outcome is a client receiving better execution than what they see “on-screen”.

In times of market volatility or powerful supply/demand influences, ETFs may stray from their iNAV intraday. However, these discrepancies are

often quickly arbitrated away by market-makers. Innovator’s Defined Outcome ETFs trade very competitively throughout market hours.

IS THERE A SPECIFIC ORDER SIZE THRESHOLD WHERE I SHOULD REACH OUT TO INNOVATOR?

No order is too large or too small. Consult your sales rep and Innovator’s Capital Markets team on trades of all sizes. Innovator’s Capital Markets team has a deep background in block trading, transition trades, and ETF market-making. We have a variety of solutions available to investors that will minimize cost/friction and lead to best execution.

WHAT ARE THE BENEFITS TO AN ETF WRAPPER FOR THIS TYPE OF PRODUCT?

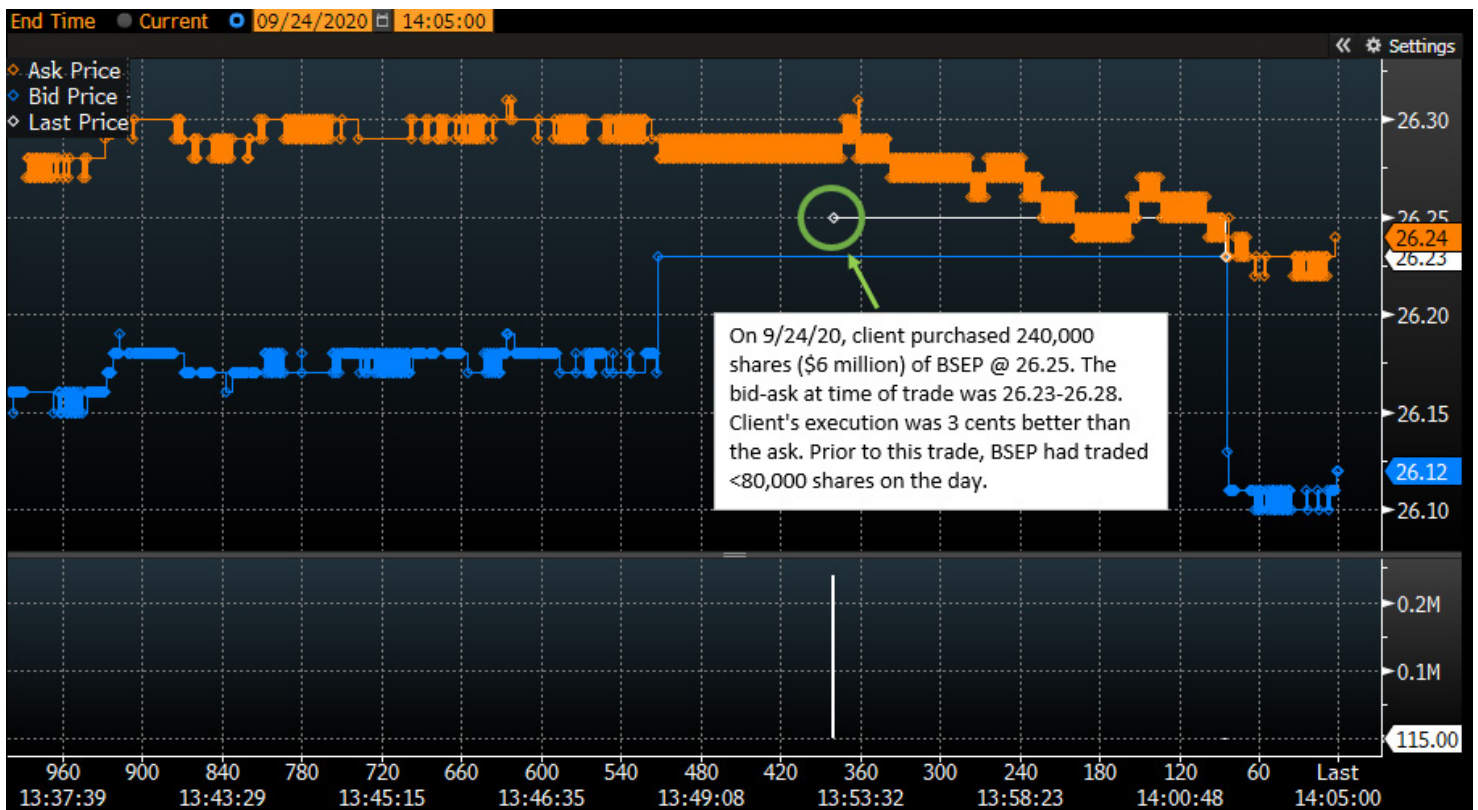
Intraday liquidity, pricing transparency, and tax-efficiency are just a handful of the benefits emanating from the ETF structure for Innovator’s revolutionary suite. Unlike traditional structured products, advisors may also purchase shares of Defined Outcomes ETFs and easily allocate across a number of client accounts.

CONSISTENT LIQUIDITY

While trading activity is highest around rebalance periods, liquidity is equally accessible during an outcome period. The trading examples below highlight outsized trades intra-outcome period. As expected, clients can move in/out of positions with ease during an outcome period due to the robust underlying liquidity of these ETFs..

INNOVATOR S&P 500 BUFFER ETF - SEPTEMBER (BSEP)

Date: 9/24/2020 | Size: Purchase of 240,000 shares (\$6 million)



Source: Bloomberg

INNOVATOR S&P 500 POWER BUFFER ETF - APRIL (PAPR)

Date: 11/24/2020 | Size: Sale of 360,000 shares (\$10 million)



Source: Bloomberg



LOOKING FOR CURRENT PRICING?

Visit our website to view all intraday caps and buffers here:

[PRICING TOOL](#)

ETF TRADING SUPPORT

The ETF ecosystem has built out a highly supportive system to help investors execute trades in a cost effective and efficient manner. If you see low volume, a wide spread or low market depth in an ETF, remember that the ETF's liquidity is derived from the liquidity of its underlying components. The Innovator ETFs track the largest and most well-known underlying assets; there is considerable liquidity underlying each of the ETFs.

Innovator ETFs has an experienced team of capital market professionals who can help you locate liquidity, provide indicative quotes, and devise a trading strategy to help you meet your execution requirements. If you are unsure about the best order type to use or where to find additional liquidity please call Innovator ETFs at 800.208.5212 or email us at capitalmarkets@innovatoretfs.com.

Additional trading resources are available through your custodian's block trading desk. If you do not have access to a block trading desk, you can also utilize an agency broker, who will act on your behalf and locate liquidity for you.

LIQUIDITY PROVIDERS

VIRTU FINANCIAL

OLD MISSION

SUSQUEHANNA (SIG)

JANE STREET

GTS MISCHLER

CITADEL

WOLVERINE



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.

Non-U.S. securities and Emerging Markets are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments, restrictions on foreign investment or exchange of securities, lack of liquidity, currency exchange rates, excessive taxation, government seizure of assets, different legal or accounting standards, and less government supervision and regulation of securities exchanges in foreign countries.

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 Index via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the Index 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, 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 Index losses during the Outcome Period. You will bear all Index 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. Read it carefully before investing.

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