## Q3 2019 UPDATE

# Implement Innovator Defined Outcome ETFs℠ Around Fed Meetings

» Stocks heavily relying on future rate cuts

» Downside risk for global stocks is growing as S&P 500 index at all-time highs[1]

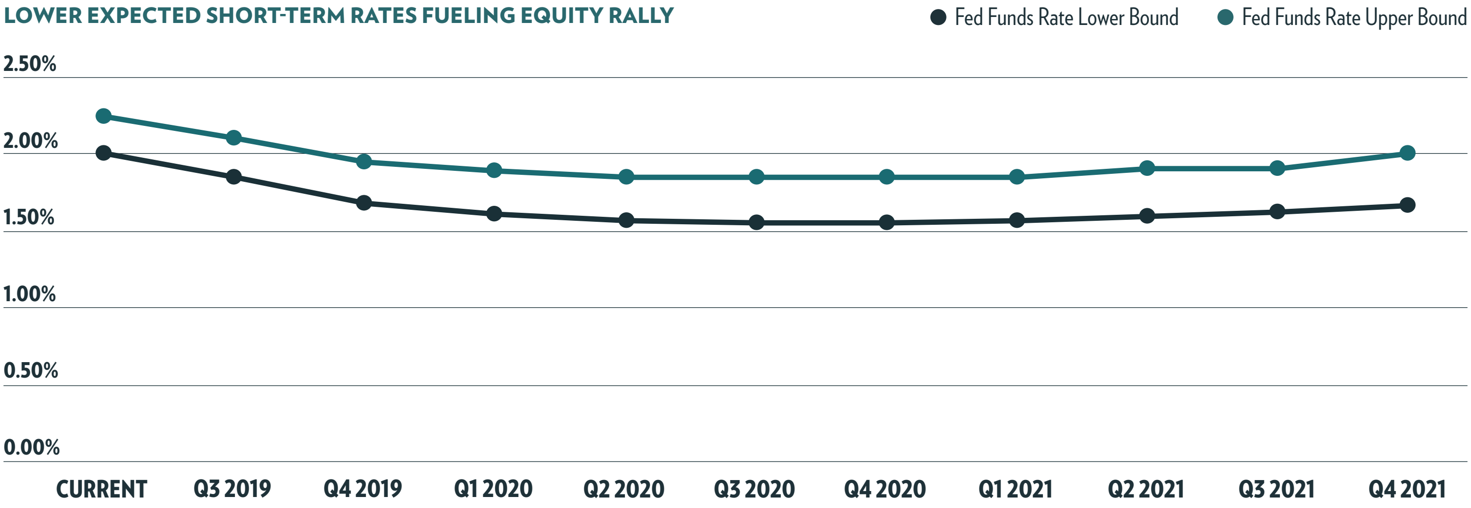
» Stay invested but hedged with Innovator Buffer ETFs

The Innovator Defined Outcome ETFs are the only ETFs in the world that seek to provide investors with S&P 500, MSCI EAFE and MSCI EM Index performance to a cap with built-in downside buffers.

Shifting from Q2, this quarter's implementation idea is to utilize the ETFs defined outcome to stay invested but hedged against potential Fed impact on equities. We continue to see the ETFs being used to 1) De-Risk Equity Allocations, 2) High Yield or Senior Loan Alternative and 3) As a Structured Product or Variable Indexed Annuity Replacement

As equities have rallied on sentiment of easing by the Fed, U.S. up over 18% to new all-time highs, developed up 9% and emerging up 3% YTD, investors may want to hedge against the negative implications of a Fed disappointment on equity prices. Equity markets may become increasingly susceptible to a more hawkish Fed stance as forecasts for future rates continue to drop. Today, the expectation is for the median lower bound Fed Fund Rate to dip to 1.55% by the Q3 2020. This would be a 0.70% drop from the current 2.25% level. Given the apparent reliance on the move higher in stocks on the hope for lower rates, investors may want to hedge against the negative impact a more hawkish Fed may pose to stocks and bonds. Utilizing the Innovator Buffer ETFs allows investors to hedge against specific numbers of upcoming Federal Open Market Committee (FOMC) meetings.

**LOWER EXPECTED SHORT-TERM RATES FUELING EQUITY RALLY**




Source: Bloomberg L.P. as of August 19, 2019. Bloomberg weighted average forecasts

**IMPLEMENTATION IDEAS:**

1. U.S. hedge through September FOMC meetings - **Innovator S&P 500 Power Buffer ETF – October (POCT)**
2. U.S. hedge through first four 2020 FOMC meetings - **Innovator S&P 500 Power Buffer ETF – July (PJUL)**
3. Emerging market hedge through first four 2020 FOMC meetings – **Innovator MSCI Emerging Markets Power Buffer – July (EJUL)**

[1] Source: Bloomberg L.P., as of August 20, 2019

**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 fund will achieve it's investment objective.**

| | TICKER | YTD (NAV) | INCEPTION (NAV) | YTD (MARKET PRICE) | INCEPTION (MARKET PRICE) | INCEPTION DATE |
|---|---|---|---|---|---|---|
| Innovator MSCI Emerging Markets Power Buffer ETF | EJUL | | | | | 7/1/2019 |
| Innovator S&P 500 Power Buffer ETF | PJUL | 7.59% | 2.37% | 7.56% | 2.48% | 8/8/2018 |
| Innovator S&P 500 Power Buffer ETF | POCT | 8.22% | 1.26% | 9.59% | 2.20% | 10/1/2018 |

**Data as of 6/30/2019. Each S&P 500 ETF's expense ratio is 0.79%, with EJUL as 0.89%. 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 for current month-end performance. One cannot invest directly in an index.**

**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 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 S&P 500 via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the S&P 500 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 incepted. 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 S&P 500 Price Index losses during the Outcome Period. You will bear all S&P 500 Price Index losses exceeding 9%. 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.Unlike mutual funds, the Funds may trade at a premium or discount to their net asset value. ETFs are bought and sold at market price and not individually redeemed from the fund. Brokerage commissions will reduce returns.***

Innovator ETFs are distributed by Foreside Fund Services, LLC.