Defined Outcome Investing Without Credit Risk

The Innovator Defined Outcome ETFs are comprised of S&P 500 Index options. As an investor in these ETFs, you own the underlying options, rather than a credit linked instrument often found with these types of payoffs. Defined Outcome ETFs are not backed by the faith and credit of an issuing institution, so they are not exposed to credit risk. This stands in stark contrast to structured notes and annuities, which are instruments subject to the credit risk of their issuer (i.e. Lehman Brothers, Bear Stearns, AIG). Should the issuer default, investors may receive nothing.

Alternatively, the options held in the ETFs are guaranteed for settlement by the Options Clearing Corporation (OCC), which has been deemed a systemically important financial market utility (SIFMU) by the U.S. Government. This means the Federal Reserve Board will intervene in the event of significant liquidity or stability issues, of which there have been none since the OCC’s inception in 1973. The Federal Reserve Board also holds SIFMUs to higher standards of risk-management, authorizes a Federal Reserve Bank to service and maintain an account for them, and consults on their inspections.

The lack of credit risk in defined outcome ETFs stands in contrast with the credit risk of the issuing banks or insurance companies, allowing investors to invest in the Defined Outcome ETFs with confidence.

In addition to avoiding credit risk, the potential benefits of the Defined Outcome ETFs compared to bank and insurance products include:

<table>
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<tr>
<th>Intra-day liquidity</th>
<th>No upfront sales charges</th>
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<td>Fee-based</td>
<td>Transparency</td>
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<td>No lock-up fees or surrender charges</td>
<td>Lower Cost</td>
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More about Innovator S&P 500 Defined Outcome ETFs

The Innovator Defined Outcome ETFs are a revolutionary product line that offer investors exposure to the S&P 500 Price Return Index with downside buffers of 9%, 15%, or 30%, over an outcome period of approximately one year, at which point each ETF will reset. Each Innovator Defined Outcome ETF holds a customized basket of S&P 500 FLexible EXchange® Options (FLEX Options) with varying strike prices, and the same expiration. This gives each ETF a defined protection level and upside cap, over an outcome period. The ETFs are issued on a quarterly basis. Innovator has collaborated with some of the world’s leading experts in derivatives (Cboe Options Exchange), indexing (S&P Global), and financial risk management (Milliman) to construct the Defined Outcome ETFs.

More about the OCC

OCC, founded in 1973, is the world’s largest equity derivatives clearing organization. By acting as guarantor, OCC ensures that the obligations of the contracts it clears are fulfilled. Although OCC began as a clearinghouse for listed equity options, it has grown into a globally recognized entity that clears a multitude of diverse and sophisticated products. As a registered clearing agency under SEC jurisdiction, OCC clears transactions for exchange-listed options, security futures and OTC options. As a registered derivatives clearing organization under CFTC jurisdiction, OCC offers clearing and settlement services for transactions in futures and options on futures. OCC also serves other markets, including those trading commodity futures, commodity options, and security futures.1

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.
FLEX Options Risk. The Fund will utilize FLEX Options issued and guaranteed for settlement by the OCC. The Fund bears the risk that the OCC will become insolvent or is otherwise unable to meet its obligations under the FLEX Options contracts. In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its obligations, the Fund could suffer significant losses. Additionally, FLEX Options may be less liquid than certain other securities such as standardized options. In 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.

The outcomes that a Fund seeks to provide may only be realized if you are holding shares on the first day of the Outcome Period and continue to hold them on the last day of the Outcome Period, approximately one year. If you purchase shares after the Outcome Period has begun or sell shares prior to the Outcome Period’s conclusion, you may experience investment returns very different from those that a Fund seeks to provide. 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 are subject to an upside return Cap that represents the maximum percentage return an investor can achieve from an investment in the Fund for the Outcome Period. Therefore, even though a Fund’s returns are based upon the S&P 500, if the Fund experiences returns for the Outcome Period in excess of the Cap, you will not experience those excess gains but will remain vulnerable to significant downside risks. Regardless of the performance of the S&P 500, the Cap is the maximum return an investor can achieve from an investment in the Fund for the Outcome Period. The Cap will change from year-to-year based upon prevailing market conditions at the beginning of the Outcome Period. The Cap, and the Fund’s position relative to it, should be considered before investing in the Fund.

Similarly, the buffer that the Funds seek to provide is only operative against the percentage (i.e. 9%, 15% and 30%) of S&P 500 losses for the applicable Fund’s Outcome Period. If an investor is considering purchasing shares during the Outcome Period, and the Fund has already decreased in value by an amount equal to or greater than its buffer, an investor purchasing shares at that price will have increased gains available prior to reaching the Cap but may not benefit from the buffer that the Fund seeks to offer for the remainder of the Outcome Period. Conversely, if an investor is considering purchasing Shares during the Outcome Period, and the Fund has already increased in value, then a shareholder may experience losses prior to gaining the protection offered by the buffer. After the S&P 500 has decreased in value by more than a Fund’s buffer during an Outcome Period, the Fund will experience any subsequent losses on a one-to-one basis. There is no guarantee that a Fund will be successful in its attempt to provide buffered returns. The Funds shares will be listed for trading on the CBOE BZX Exchange. The Funds will not terminate after the conclusion of an Outcome Period. After the conclusion of an Outcome Period, another will begin.

The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market. Return/Risk is the relationship between the amount of return gained on an investment and the amount of risk undertaken in that investment. Investing involves risks. Principal loss is possible. The Fund’s return may not match the return of the Index. Beta investing entails investing in securities that are more volatile based on historical market index data. The fund may be more volatile since it will, from time to time, seek to have exposure to the most volatile securities. Volatile stocks may be subject to sharp swings in value, and may change unpredictably, affecting the value of such equity securities and, consequently, the value of the Shares. Also, ETFs face numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. Unlike mutual funds, ETFs 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.

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.

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