How Innovator Defined Outcome ETFs™ achieve tax efficiency

Innovator Capital Management LLC (Innovator), the first issuer of the proprietary Defined Outcome ETFs has also created the first path to tax-efficiency for options-based ETFs. The same benefits of the ETF creation/ redemption process that make equity and fixed income ETFs more tax-efficient can also be utilized with the Innovator Defined Outcome ETFs™. Through this creation/ redemption process, the ability to redeem gains and keep losses in the portfolio will allow the Defined Outcome ETFs™ to be as tax-efficient as traditional ETFs on a go forward basis.

INNOVATOR DEFINED OUTCOME ETFS OFFER THE FOLLOWING:

» Tax-deferral until sold
» No anticipated cap gain distributions to shareholders
» Can be equally utilized in non-qualified accounts
» Potential alternative to long dated structured notes or indexed annuities

AT A FUND LEVEL, THE ETF TRANSACTS IN THE PRIMARY MARKET TO EFFECT TAX EFFICIENCY.

**CURRENT**
The ETF holds a number of options, some with embedded gains, others with embedded losses.

**STEP 1: CREATION**
An authorized participant (AP) creates shares in the ETF. The same options representing the ETF are purchased.

**STEP 2: REDEMPTION**
An AP redeems shares representing the ETF. The low-cost basis positions with gains are removed and placed in the Redemption Basket, while the high-cost positions with losses are kept in the ETF.

**END RESULT**
The ETF holds the same exposure and options positions as before. The ETF now retains options that have embedded losses and eliminates positions with gains, delivering a more tax-efficient Defined Outcome ETF™. Like any other ETF, this is a repeatable process that can be used as needed.

Now available to the public, Innovator is committed to finding ways to help investors better control their financial outcomes by providing investment opportunities they never considered or thought possible. For additional information, visit www.innovatoretfs.com.

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.
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 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 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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