

EPRF

INNOVATOR S&P INVESTMENT GRADE PREFERRED ETF



Ticker	EPRF
Launch Date	5/24/2016
Expense Ratio	0.47%
Distribution Frequency	Monthly
Index	S&P High Quality Preferred Stock Index

WHY A HIGH QUALITY PREFERRED ETF?

- » Manage preferred risk
- » Improve your preferred credit quality
- » Low overlap to existing preferred ETFs

“Preferred stocks rank lower in the capital structure than other forms of debt, so credit risk is higher than senior debt. This is of particular concern in environments where default risk is high.”

—S&P Dow Jones Indices

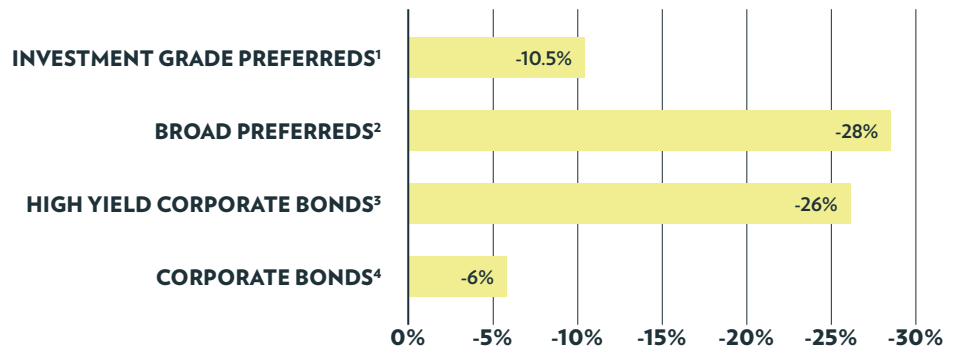
INDEX METHODOLOGY

- » S&P U.S. Preferred Stock Index
- » Select investment grade preferreds (BBB- or better)
- » Equal-weight by issuer
- » Rebalance Quarterly

The Innovator S&P Investment Grade Preferred ETF is the only 100% investment grade preferred ETF. EPRF is based on the S&P U.S. High Quality Preferred Stock Index, which selects fixed, floating or variable investment grade preferred issues (BBB- or higher) from U.S. listed preferred stocks.

The 2008 recession demonstrated the importance of credit ratings within preferreds and the ability of investment grade preferreds to mitigate risk in rising credit risk environments. Many broad preferred ETFs have significant exposure to junk rated preferreds, exposing investors to high amounts of credit risk.

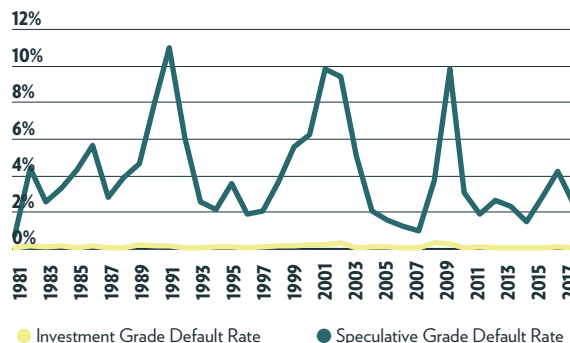
2008 TOTAL RETURN OF PREFERRED INDICES



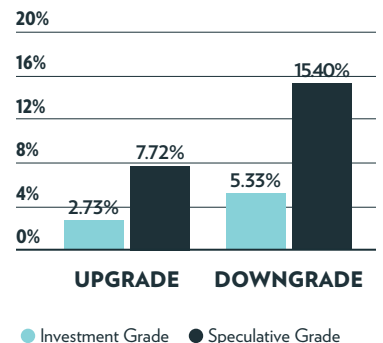
During the recession, investment grade preferred indices performed significantly better than both broad preferred indexes and high yield bonds. EPRF provides exposure to the preferred space with a near-identical yield, while holding only investment grade preferreds.

Default and downgrade risk impacts not only credit instruments but also preferred stock. Preferred stock's lower position in the capital structure puts it at higher risk than senior debt. Therefore, considering the credit quality of your preferred portfolio is of greater importance. Historically, investment grade rated issuers rarely default, and their ratings tend to remain consistent throughout turbulent market conditions. A portfolio of investment grade preferreds may mitigate credit risk generally found in preferred stock ETFs.

GLOBAL CORPORATE DEFAULT RATES: INVESTMENT GRADE VS. SPECULATIVE GRADE



AVERAGE ONE-YEAR CORPORATE TRANSITION RATES (USA) 1981-2017



Source: S&P Dow Jones Indices



EPRF holds a combination of fixed and floating rate investment grade preferreds providing a unique opportunity to obtain broad preferred exposure, mitigating credit risk and offering competitive yields.

INDEX PERFORMANCE

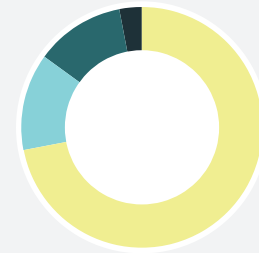
	1M	3M	YTD	1YR	3YR
S&P U.S. High Quality Preferred Stock Index	-0.79%	-5.40%	-4.78%	-4.78%	1.12%
S&P U.S. Preferred Stock Index	-1.65%	-6.11%	-6.07%	-6.07%	0.21%

Source: S&P Dow Jones Indices as of 12/31/2018

Wtd. Avg. Discount to Par	-6.15%
% Trading Below Par	75%
% Investment Grade	100%
QDI Eligible	TBD
Cumulative Preferreds	TBD
30-Day SEC Dividend Yield	5.57% (as of 1/14/2018)

As of 12/31/2018

SECTOR WEIGHTS



Financials	72.14%
Real Estate	13.38%
Utilities	12.10%
Industrials	2.38%

Source: Bloomberg L.P. as of 12/31/2018

¹ Investment grade preferreds are represented by the S&P U.S. High Quality Preferred Stock Index.

² The Broad Preferred space is represented by the S&P Preferred Stock Index.

³ High yield corporate bonds are represented by the S&P High Yield Corporate Bond Index.

⁴ Corporate bonds are represented by the IBOXX Corporate Bond Index.

The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market. The S&P U.S. Preferred Stock Index represents the US preferred stock market.

Investing involves risks. Principal loss is possible. The Fund's return may not match the return of the Index. The fund invests in preferred securities which may be subject to many of the risks associated with debt securities, including interest rate risk. The fund invests in equity securities which may be subject to volatile price fluctuations. Because the fund is non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund, changes in the market value of a single investment could cause greater fluctuations in share price.

Return/Risk is the relationship between the amount of return gained on an investment and the amount of risk undertaken in that investment. SEC 30 day yield is a standard yield calculation developed by the Securities and Exchange Commission that allows for a common ground comparison of yield performance. It is based on the most recent 30-day period. It is calculated by dividing the net investment income (less expenses) per share over a 30-day period by the current maximum offering price.

S&P and Moody's study the financial condition of an entity to ascertain its creditworthiness. The credit ratings reflect the rating agency's opinion of the holdings financial condition and histories. For information on the rating agencies methodology, visit <http://www.standardandpoors.com> or <https://www.moody.com>.

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 innovatoretf.com. Read it carefully before investing.

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