

# Innovator S&P Investment Grade Preferred ETF

THE ONLY ETF DESIGNED TO HOLD 100% INVESTMENT GRADE PREFERRED STOCKS

Ticker	EPRF
Expense ratio	0.47%
Listing date	5/24/2016
Dividend frequency	Monthly
SEC 30 day yield	4.70%
Index	S&P U.S. High Quality Preferred Stock Index
AUM	\$227.3M
iNAV ticker	EPRFV

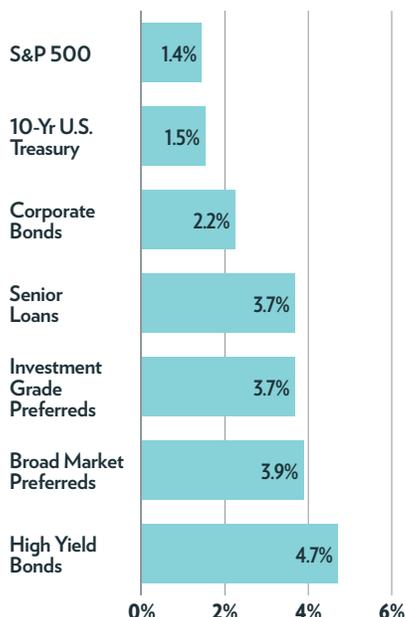
As of 9/30/2021

## WHY EPRF?

- » Investment Grade: Credit quality matters in preferreds and the ETF holds 100% investment grade preferred stocks
- » High Income: In a low-rate environment, preferreds may offer attractive income
- » Diversified: Exposure to fixed, floating and variable investment grade preferreds
- » 66% QDI<sup>1</sup>, enhancing after-tax yield

## YIELD (%)<sup>2</sup>

As of 9/30/2021



The yield represented is the yield to maturity. Yields are a subject to change and investment decisions should be not based solely on yield.

## WHAT'S IN YOUR PREFERRED ETF?

Many preferred stock ETFs hold a large allocation to junk-rated preferreds. As with fixed-income, preferred stock credit quality matters and its importance is highlighted during periods of market stress. In spite of its higher credit quality, as of 9/30/2021, EPRF maintains a yield >4%, similar to the yield of the broader preferred market. We believe it can serve as a core component of an investors income-oriented portfolio.

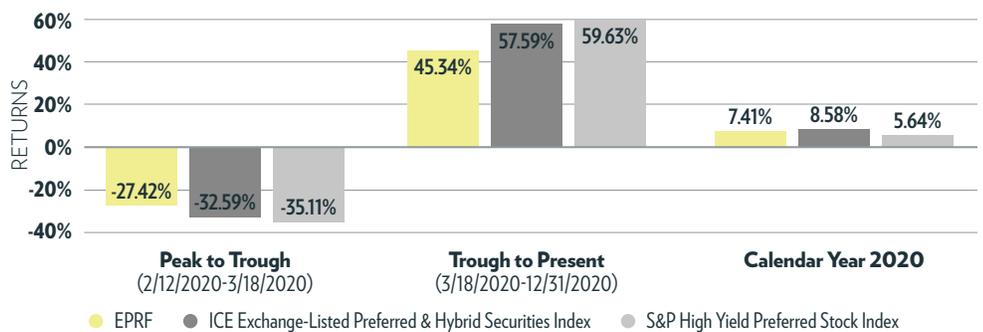


Source: Bloomberg. As of 9/30/2021. The charts represent the underlying credit quality of their respective holdings and do not represent the credit quality of the index for fund.

## Performance during COVID-19:

Lower drawdowns: a benefit of higher credit quality highlighted.

## 2020 - CREDIT QUALITY MATTERS IN PREFERRED



Source: Bloomberg L.P. as of 12/31/2020.

Returns for EPRF are NAV returns. 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. For the most recent month-end performance go to [innovatoretfs.com/eprf](http://innovatoretfs.com/eprf).

## WHERE DOES IT FIT IN MY PORTFOLIO?



### POTENTIAL FOR HIGH INCOME

In a low-yield environment, preferreds may be one of the few asset classes still providing a meaningful source of income.



### IMPROVE PREFERRED CREDIT QUALITY

Complement existing preferred exposure by adding EPRF to improve overall preferred credit quality.



### CORPORATE BOND ALTERNATIVE

Corporate bonds are now yielding less than 3%.<sup>5</sup> Investors can maintain an investment grade portfolio while seeking to increase yield through EPRF.



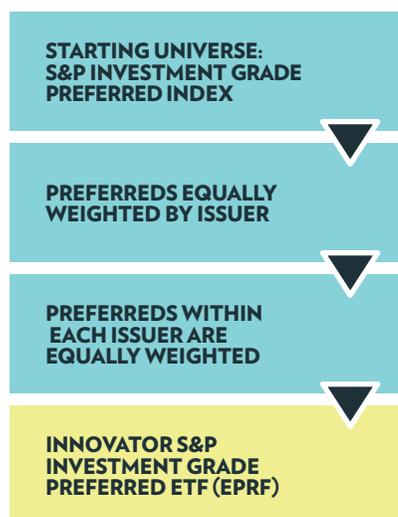
### HIGH YIELD BOND ALTERNATIVE

EPRF currently exhibits an attractive yield while maintaining 100% exposure to investment grade preferred stocks, and has significant exposure to QDI-preferreds.<sup>1</sup>



Heading into Q4, the investment grade preferred market offered a nearly-identical yield to the broad market, but without the additional credit risk.

## EPRF METHODOLOGY



## CREDIT QUALITY, YIELD, PERFORMANCE, AND RISK METRICS

		Innovator S&P Investment Grade Preferred ETF	ICE Exchange-Listed Preferred & Hybrid Securities Index	S&P U.S. High Yield Preferred Stock Index
YTD	% Investment Grade	97.2%	47.9%	0%
	% Junk / NR	2.8%	52.1%	100%
	Return	1.1%	4.9%	4.9%
	Volatility	5.2%	5.3%	5.3%
1 Year	Return/Risk	0.21	0.93	0.93
	Return	4.7%	12.7%	12.7%
	Volatility	5.4%	5.5%	5.5%
3 Year	Return/Risk	0.88	2.31	2.31
	Return	6.8%	8.5%	8.5%
	Volatility	16.9%	16.7%	16.7%
	Return/Risk	0.40	0.51	0.51
Since EPRF Inception	Return	4.6%	6.4%	6.4%
	Volatility	13.5%	12.8%	12.8%
	Return/Risk	0.34	0.50	0.50

Source: Bloomberg L.P. as of 9/30/2021. Past performance is not indicative of future results.

## STANDARDIZED PERFORMANCE

	YTD	1-Yr	3-Yr	5-Yr	Inception
EPRF NAV	1.1%	4.7%	6.8%	4.6%	4.6%
EPRF Market Price	1.0%	4.5%	7.0%	4.5%	4.5%

Data as of 9/30/2021. The Fund inception on 5/23/2016.

- 1 QDI=Qualified Dividend Income. Qualified dividends are taxed at capital gains tax rates, which may be lower than the tax rate for ordinary income.
- 2 High Yield is represented by the ICE BofA US High Yield Index. Broad Preferreds are represented by the ICE Exchange-Listed Preferred & Hybrid Securities Index. Senior Loans are represented by the S&P/LSTA U.S. Leveraged Loan 100 Index. Investment Grade Preferreds are represented by the ICE BofA Investment Grade Preferred & Hybrid Index. Corporate Bonds are represented by the ICE BofA US Corporate Index.
- 3 Investment Grade: A security is rated investment grade if it has a minimum rating of BBB-/Baa3/BBB- issued by S&P, Moody's and Fitch, respectively.
- 4 Junk Rated: A security is rated 'junk' or speculative grade if it has a rating of BB+/Ba1/BB+ or lower issued by S&P, Moody's and Fitch, respectively. NR stands for Not Rated and means that a security has not been rated by a nationally recognized rating agency.
- 5 As measured by the Bloomberg Barclays US Corporate Bond index, the corporate bond yield to worst was 2.28% as of 3/31/2021. Yield to worst is a measure of the lowest possible yield that can be received on a bond to fully operate within the terms of its contract without defaulting.

SEC 30 Day yield is 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.

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Max drawdown is the maximum observed loss from a peak to a trough of a portfolio, before a new peak is attained. Maximum drawdown is an indicator of downside risk over a specified time period.

Return/risk is the relationship between the amount of return gained on an investment and the amount of risk undertaken in that investment

Market Disruptions Resulting from COVID-19. The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

Investing involves risk including possible loss of principal. Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred securities are typically subordinated to bonds and other debt securities in a company's capital structure in terms of priority to corporate income, subjecting them to greater credit risk than those debt securities. An increase in interest rates may cause the value of securities held by the Fund to decline. Generally, holders of preferred securities have no voting rights with respect to the issuing

company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may obtain limited rights. In certain circumstances, an issuer of preferred securities may defer payment on the securities and, in some cases, redeem the securities prior to a specified date. Preferred securities may also be substantially less liquid than other securities, including common stock. 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.

Credit ratings apply the underlying holdings, not the fund itself. 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 must be considered carefully before investing. The prospectus contains this and other important information, and may be obtained by calling 800.208.5212 or visiting [innovatoretfs.com](http://innovatoretfs.com). Read it carefully before investing.**

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