

## A Straightforward Low-Volatility Rotation Strategy

Ticker	LVHB
Launch Date	10/20/2016
Expense Ratio	0.49%
Exchange	Cboe BZX
No. of Holdings	100
Index Provider	Lunt Capital

### WHY LVHB?

- » Core U.S. Large Cap Exposure
- » A Straightforward Solution for Low Volatility Rotation
- » An Alternative to Active Management
- » Low Cost, Transparent, Tax Efficient

Factor investing is a growing theme in today's market. In the case of low volatility, many investors simply maintain a static allocation to the factor or blend it with other factors rather than seeking to capture opportunities resulting from dispersions between them. The Innovator Lunt Low Vol/High Beta Tactical ETF seeks to provide investors with a dynamic low volatility strategy that seeks to capitalize on the wide dispersion between low volatility and high beta stocks by rotating across these two factors.

### A STRAIGHTFORWARD SOLUTION FOR LOW-VOLATILITY ROTATION

As markets change and evolve, your portfolio should as well. There are periods where low volatility stocks outperform and others where they underperform. In general, however, investors are better suited staying invested in U.S. equities as opposed to timing when to be in or out of the market. Utilizing high beta stocks in environments where low volatility stocks underperform and vice versa can create a strategy better suited to serve as a core U.S. Large Cap Equity portfolio component.

Utilizing a simple risk adjusted momentum strategy to rotate between low volatility and high beta S&P 500 stocks can effectively capture alpha opportunities created by the large return differences between low-volatility and high beta stocks.

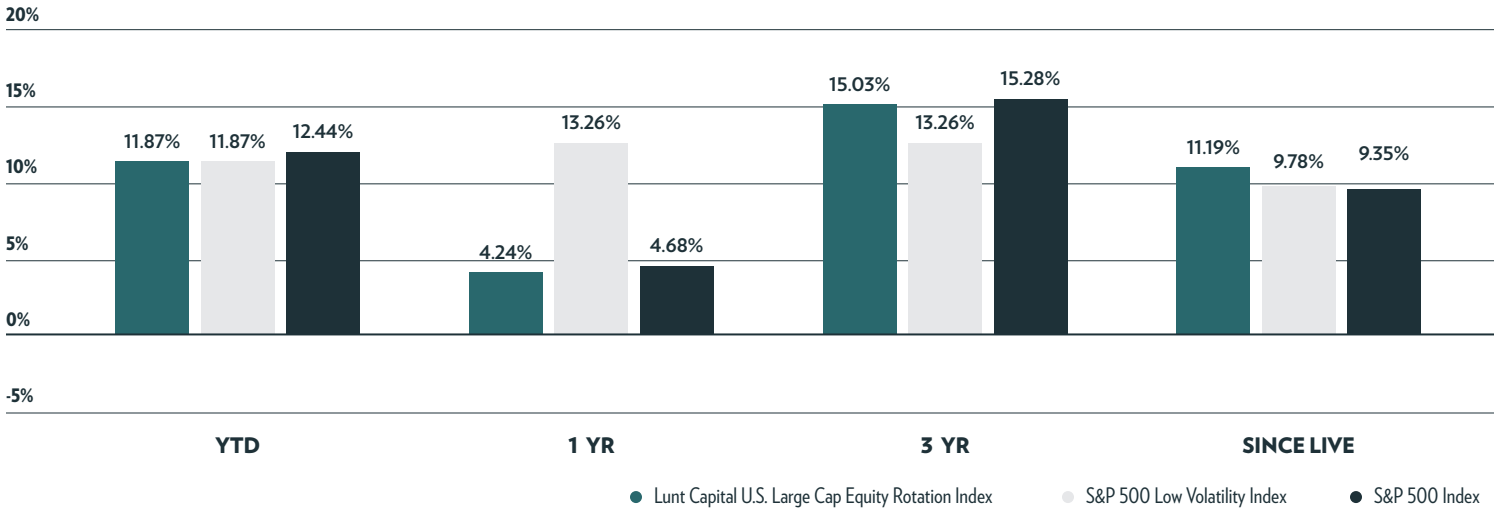
Over the last two years, however, the dispersion between low vol and high beta stocks has narrowed creating a challenging environment for LVHB. These periods of low dispersion tend to be short in duration and may provide entry points to implement LVHB into a portfolio.

2012	2013	2014	2015	2016	2017	2018
High Beta 18%	High Beta 41%	Low Vol 17%	Low Vol 4%	High Beta 26%	S&P 500 22%	Low Vol 0%
S&P 500 16%	S&P 500 32%	S&P 500 14%	S&P 500 1%	S&P 500 12%	High Beta 18%	S&P 500 -4%
Low Vol 10%	Low Vol 24%	High Beta 13%	High Beta -13%	Low Vol 10%	Low Vol 17%	High Beta -15%
Dispersion 8%	Dispersion 18%	Dispersion 4%	Dispersion 17%	Dispersion 16%	Dispersion 1%	Dispersion 15%

Source: Bloomberg L.P. as of December 31st, 2018. Past performance not indicative of future results. One cannot invest directly in an index.



## RETHINK YOUR FACTOR EXPOSURE: PERFORMANCE



Source: Bloomberg L.P. as of February 28th, 2019. Index live date is December 29, 2014. Past performance is not indicative of future results. One cannot invest directly in an index.

## INDEX STRATEGY



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 [innovoretfs.com](http://innovoretfs.com). Read it carefully before investing.**

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