

MAY 2024

Innovator Monthly Themes & Investment Playbook

For more information visit innovatoretfs.com

MOVING IN TANDEM

- Bond yields are likely to remain the key driver of equity prices in the near term, as investors continue to fixate on inflation and the Fed. Stock/bond correlation is likely to remain high, and diversification benefits of bonds low. Focus on decoupling risk management needs from the reliance of interest rates coming down.
- BALT is a potential solution to address this issue, providing US equity exposure, with a fresh 20% buffer against losses each calendar quarter.

RESILIENT GROWTH, STUBBORN INFLATION

- The US economy shows no signs of slowing down. Loose financial conditions, excess liquidity, and an abnormally high fiscal deficit are likely to keep growth firm and inflation elevated. Equities stand to benefit as corporate profits are driven higher.
- PMAY is a potential solution for investors looking to increase equity exposure, without increasing portfolio risk.

DON'T FIGHT AI

- Generative AI is likely to be transformative, but we see a chance an AI induced bubble could be on the horizon, as investors get too far ahead of themselves. Should this occur, tech stocks may see significant upside in the near term as valuations expand.
- QFLR is a potential solution to help investors capitalize on continued gains in tech stocks, while seeking a 10% floor against losses.

MAY FEATURED ETFs

BALT

DEFINED WEALTH SHIELD ETF

- 3-MONTH BUFFER: 20%
- 3-MONTH CAP: 2.95%

PMAY

U.S. EQUITY POWER BUFFER ETF™

- 12-MONTH BUFFER: 15%
- 12-MONTH CAP: 14.3%

QFLR

NASDAQ-100 MANAGED FLOOR ETF

- TARGET FLOOR: 10%
- UPSIDE CAPTURE: 70% TO 80%

IMPORTANT RISK INFORMATION

BALT & PMAY Information: **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.**

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 Fund’s website, www.innovatoretf.com, provides important Fund information as well information relating to the potential outcomes of an investment in a Fund on a daily basis.

The Fund only seek to provide shareholders that hold shares for the entire Outcome Period with their respective buffer level against reference asset losses during the Outcome Period. You will bear all reference asset losses exceeding the buffer. 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.

QFLR Information: **There is no guarantee the Fund will be successful in providing the sought-after protection of the floor. The Fund’s option strategy may cause the Fund to forego a portion of any upside returns of the Equity Portfolio.**

The Funds seek to provide risk-managed investment exposure to the U.S. Large Capitalization Companies represented by its index through its hedging strategy. There is no guarantee that the Fund will be successful in implementing its strategy to provide a hedge against overall market exposure. The fund seeks to achieve its investment objective by purchasing a series of four, one-year Flex Options packages with “laddered” expiration dates that are 3 months apart. The Fund will also systematically sell short-dated call option contracts, which have an expiration date of approximately two weeks, with an objective of generating incremental returns above and beyond the premium outlay of the protective put option contracts. The Fund does not provide principal protection or non-principal protection, and an investor may experience significant losses on its investment. In a market environment where the index is generally appreciating, the Fund may underperform the index and/or similarly situated funds.

The Sub-Adviser will seek to “ladder” the Fund’s option contracts by entering into new purchased put option contracts packages every three-months. After such put option contracts expire, the Fund will enter into new put

option contracts with one-year expiration dates that are staggered every three months.

As a result of the Fund’s laddered investment approach, on an ongoing basis the Fund will experience investment floors that are expected to be greater or less than the 10% floor provided by an individual Options Portfolio.

The Fund seeks to provide capital appreciation while seeking to limit the amount of losses experienced by investors. Because the Fund ladders its option contracts and the Fund’s put option contracts will have different terms (including expiration dates), different tranches of put option contracts may produce different returns, the effect of which may be to reduce the Fund’s sought-after protection. Therefore, at any given moment the Fund may not receive the benefit of the sought-after protection on losses that could be available from Options Portfolio with a single expiration date.

Investing involves risks. Loss of principal is possible. The Funds face numerous market trading risks, including active markets risk, authorized participation concentration risk, buffered loss risk, cap change risk, capped upside return risk, correlation risk, liquidity risk, management risk, market maker risk, market risk, non-diversification risk, operation risk, options risk, trading issues risk, upside participation risk and valuation risk. For a detail list of fund risks see the prospectus.

FLEX Options Risk. The Funds will utilize FLEX Options issued and guaranteed for settlement by the OCC (Options Clearing Corporation). In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses. Additionally, FLEX Options may be less liquid than standard options. In a less liquid market for the FLEX Options, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices.

The following marks: Accelerated ETFs[®], Accelerated Plus ETF[®], Accelerated Return ETFs[®], Barrier ETF[®], Buffer ETF[®], Defined Outcome Bond ETF[®], Defined Outcome ETFs[™], Defined Protection ETF[™], Define Your Future[®], Enhanced ETF[®], Floor ETF[®], Innovator ETFs[®], Leading The Defined Outcome ETF Revolution[™], Managed Buffer ETFs[®], Managed Outcome ETFs[®], Step-Up[™], Step-Up ETFs[™], Target Protection ETF[™] and all related names, logos, product and service names, designs, and slogans are the trademarks of Innovator Capital Management, LLC, its affiliates or licensors. Use of these terms is strictly prohibited without proper written authorization.

Innovator ETFs are distributed by Foreside Fund Services, LLC.

The Funds’ investment objectives, risks, charges and expenses should be considered before investing. The prospectus and summary prospectus contains this and other important information, and it may be obtained at innovatoretf.com. Read it carefully before investing.