2023: A LOOK BACK AT OUR KEY INVESTMENT THEMES

OUR 2023 OUTLOOK

In our 2023 Outlook, The Height of Uncertainty, we outlined three themes we thought would impact equity and fixed income markets throughout the year, along with our highest conviction ETF solutions.

In the following pages, we look back at each theme, how it played out, and how the solutions fared.

1. Lower no longer
2. Earnings recession and range-bound valuations
3. Rent is coming due

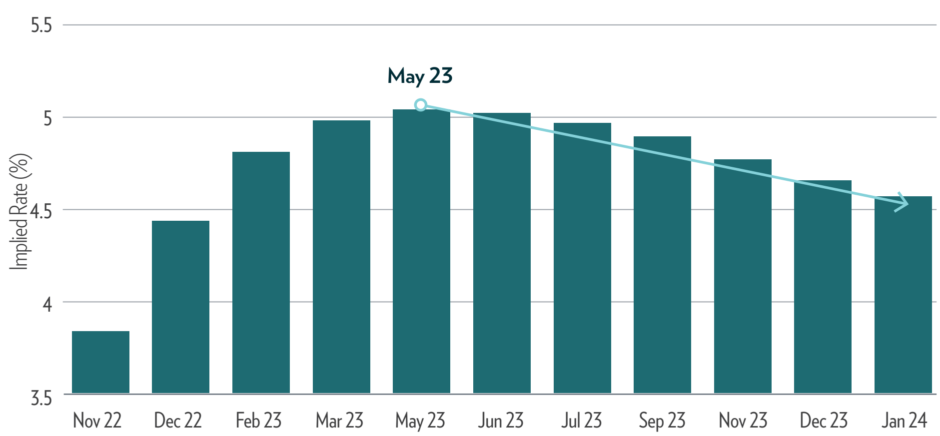
THEME 1: LOWER NO LONGER

Late in 2022, the market was projecting that the Fed would begin cutting rates in mid-2023. We thought otherwise. In our view, the transition to rate cuts was going to take much longer. The risks of an inflation resurgence far outweighed the risk of a near term recession, which meant that rates would have to stay higher for longer.

"The Fed needs to keep financial conditions tight to keep growth in check, and any cuts or hints at rate cuts could work in opposition, potentially prolonging the issue."

We also pointed out the poor supply & demand backdrop that Treasuries faced and the upward pressure this generated on longer term yields. As of the end of October, the Fed was still discussing additional hikes, and the supply demand dynamic appeared to be putting strong support under rates. Admittedly, long term rates increased even more than we expected, causing additional pain for investors with long duration bond holdings.

Market was Expecting Rate Cuts to Start in the 2H of 2023



Source: Bloomberg LP, World Interest Rate Probability, as of 11/1/2022 – 1/1/2024

One of our top portfolio ideas to address this "Lower No Longer" theme was BALT, the Innovator Defined Wealth Shield ETF. BALT is designed to deliver a 20% buffer on SPY, the SPDR S&P 500 ETF, and upside exposure up to a cap, every calendar quarter. Given the threat from higher rates, we saw BALT as a strong alternative to traditional bonds, since it does not need to rely on interest rates falling to provide effective risk management.

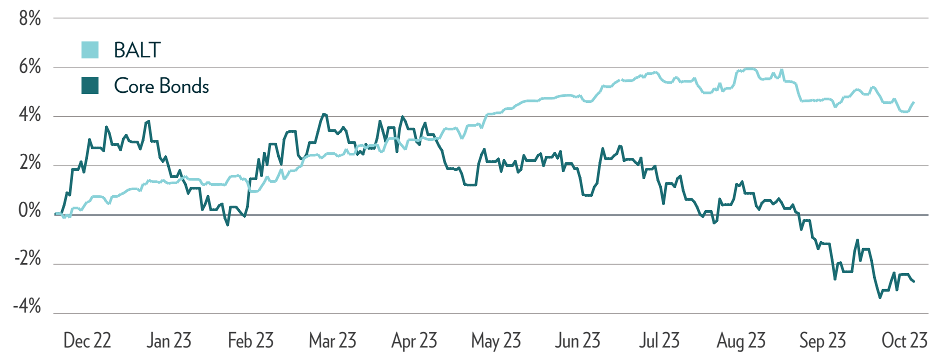
Through the end of October, BALT is outperforming the U.S. Aggregate Bond Index by 7%, all while delivering 38% less volatility. We continue to believe BALT is a compelling option to help investors manage risk, without taking on interest-rate or credit risk.

THEME STRATEGY:

BALT

Innovator Defined Wealth Shield ETF

2023 YTD Performance: BALT vs. Core Bonds



Data from 12/31/2022 to 10/31/2023. Source: Bloomberg LP. Core bonds represented by the Bloomberg U.S. Aggregate Bond Index. BALT returns are NAV. 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. One cannot invest directly in an index. Index returns do not account for fund fees and expenses.

THEME 2: EARNING RECESSION AND RANGEBOUND VALUATIONS

"Overall, without a boost in valuations or earnings, U.S. equity investors may need to temper their total return expectations for 2023 and also understand the potential downside risks that may be lingering."

Heading into the year, consensus estimates were calling for +5% earnings growth on the year. We saw that as overly optimistic given the headwinds from tighter monetary policy, and instead thought earnings would contract slightly. Year-to-date, this has played out as we expected. What we didn't foresee is the run up in valuations that drove equity returns higher than expected. Through the end of October, the S&P 500 Index was up 10.7%, with 100% of that move driven by valuations expanding. This was surprising as valuation expansion is uncharacteristic for a rising rate environment, especially one in which real yields are rising. But AI euphoria took hold and drove valuations higher, all while rates continue their upward march.

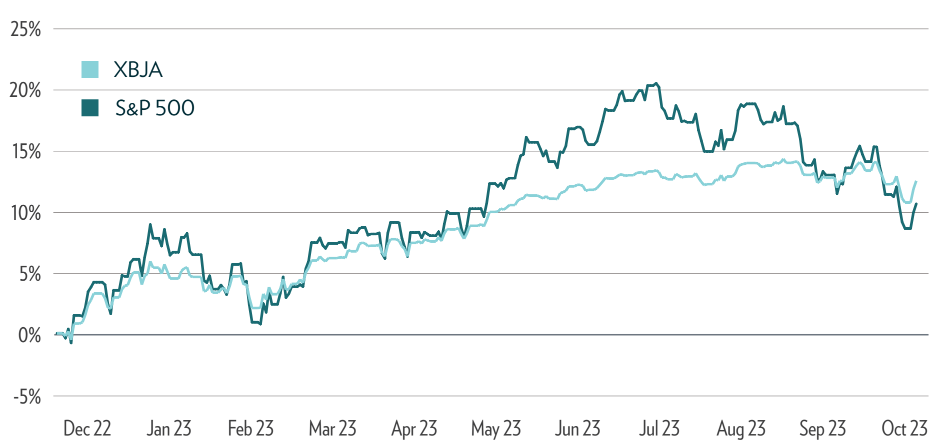
Our solution to address this theme was XBJA, the Innovator U.S. Equity Accelerated 9 Buffer ETF. The strategy seeks 2X the upside exposure up to a cap, with a 9% buffer against losses on the downside on SPY. Going into the year, while we considered it highly unlikely that the S&P 500 would exceed the strategy's 18.18% cap, we still thought the strategy had a strong chance of delivering meaningful alpha, especially if stocks did not receive the boost from expanding multiples. While equity market returns may have been underestimated, the magnitude of the cap made this irrelevant. Through the end of October, XBJA outpaced the S&P 500 Index by 2%, while exhibiting half the volatility. Should the market hold at these levels, the strategy is designed to realize its full 18.18% cap, generating additional outperformance, which is roughly 2X the return of SPY at the time of writing.

THEME STRATEGY:

XBJA

Innovator U.S. Accelerated 9 Buffer ETF

2023 YTD Performance: XBJA vs. S&P 500 Index



Data from 12/31/2022 to 10/31/2023. XBJA returns are NAV. Performance quoted represents past performance, which is no guarantee of future results. One cannot invest directly in an index.

THEME 3: RENT IS COMING DUE

"The strong labor market and strong consumer could act as a double-edged sword; threatening to keep inflation higher for longer, and also dampening the economic blow from rate hikes and keeping investor hopes of a soft landing alive."

THEME STRATEGY:

SFLR

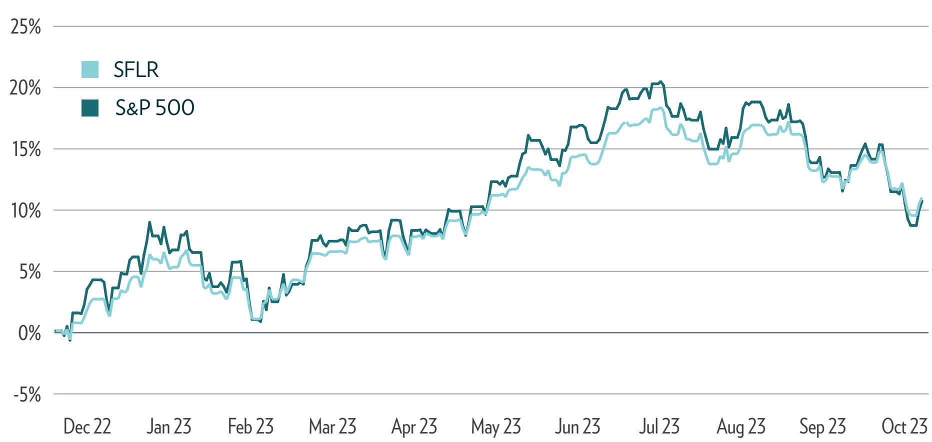
Innovator Equity Managed Floor ETF

Our final theme was intended to point out that monetary policy operates with a lag. Historically, on average, once the cycle's final hike is in place, consumer spending takes a year to bottom, recessions start within 6 months, and unemployment peaks within 2 years. This time around, we thought the damage could be dealt quicker, given how quickly the Fed raised interest rates. However, factors such as a strong fiscal thrust and excess consumer savings have helped keep the economy strong up to this point. This theme will likely be recycled in 2024!

The single idea we highlighted to address this theme was SFLR, the Innovator Equity Managed Floor ETF, as a way to maintain equity exposure and hedge recessionary risks. The strategy owns a portfolio of U.S. equities and is engineered to limit losses in large market drawdowns. To help offset the cost of the hedge, SFLR uses an active, short-dated call selling strategy, to generate option premium.

While the economy has been strong and the market has surprised with significant upside, SFLR has actually outperformed the S&P 500 Index through the end of October, and done so with lower volatility, highlighting its value as a risk-managed, core equity solution.

2023 YTD Performance: SFLR vs. S&P 500 Index



Data from 12/31/2022 to 10/31/2023. SFLR returns are NAV. 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. One cannot invest directly in an index. Index returns do not account for fund fees and expenses.

STANDARDIZED PERFORMANCE

	1 Year	Inception	Inception Date	Expense Ratio
BALT NAV	8.01%	3.59%	6/30/2021	0.69%
BALT Market Price	7.79%	3.57%		
XBJA NAV	20.46%	0.10%	12/30/2022	0.79%
XBJA Market Price	20.71%	0.17%		
SFLR NAV	-	12.96%	11/8/2022	0.89%
SFLR Market Price	-	13.12%		

As of 9/30/2023. 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 please visit www.innovatoretfs.com. Returns less than one year are cumulative.

Shares are bought and sold at market price, not net asset value (NAV), and are not individually redeemable from the fund. NAV represents the value of each share's portion of the fund's underlying assets and cash at the end of the trading day. Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where fund shares are listed.

IMPORTANT DEFINITIONS AND DISCLOSURES

The S&P 500 Index is a broad measure of U.S. large cap stocks. The Bloomberg US Aggregate Bond Index measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

SFLR Risks: The Fund seeks to provide risk-managed investment exposure to the S&P 500 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 systemically 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 S&P 500 is generally appreciating, the Fund may underperform the S&P 500 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 is actively managed and seeks to provide capital appreciation through participation in the large-capitalization U.S. equity securities of the S&P 500® Index (the "S&P 500") while limiting the potential for maximum losses.

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.

BALT AND XBJA ETF Risks: The funds only seek to provide their investment objective, which is not guaranteed, over the course of an entire outcome period. Investors who purchase shares after or sell shares before the end of an outcome period will experience very different outcomes than the funds seek to provide.

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.

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. Investors purchasing shares after an outcome period has begun will be exposed to enhanced downside risk.

BALT: Although the ETF targets a 20% buffer, it may fall into a range of 15-20%; there is no guarantee that the buffer will be within this range or that the Fund will provide the buffer.

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 Fund will utilize FLEX Options issued and guaranteed for settlement by the Options Clearing Corporation (OCC). 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 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.

The Funds are designed to provide point-to-point exposure to the price return of a reference asset via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the reference asset during the interim period. 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.

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 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.

The Fund's investment objectives, risks, charges and expenses should be considered carefully before investing. The prospectus contains this and other important information, and it may be obtained at innovatoretfs.com. Read it carefully before investing.

Innovator ETFs are distributed by Foreside Fund Services, LLC.