The Case for LOUP Heading into 2022

The Innovator Loup Frontier Tech ETF (LOUP)

WHY CONSIDER ADDING LOUP IN 2022?

- Disciplined approach to valuations
- Potentially less sensitivity to rising interest rates
- We believe LOUP has exhibited strong performance in 2021 despite having no exposure to mega cap

In 2022, if there is skepticism around the technology sector, it may not be that tech companies won't continue to innovate and create value, but rather that stretched valuations and rising interest rates will be a headwind to higher stock prices. We believe the Innovator Loup Frontier Tech ETF (LOUP) is well positioned to keep investors exposed to frontier tech stocks while mitigating rising rate and valuation risks.

With the surge in popularity of disruptive technology investing, many have lost focus of the importance of valuations and the risk of buying disruption regardless of price. As Doug Clinton from the Loup research team points out in his article, "Reverse DCFs and Base Rates Trump Deep Research to Find Quality," a company eventually needs to justify its price through future cash flow generation. To be a great investment, an equity asset needs to generate far more in cash flow than implied in its price. Paying any price for a company simply because it is disruptive does not work.

The point of any investment strategy should be to generate attractive returns, not just create exposure to a category. As with any discounted cash flow modeling, higher interest rates discount future cash flows putting downward pressure on the value of a company. With any rate hikes, disruptive technology stocks will be more "at risk," given the inherent nature of how these companies often have cash flows (and value) that are captured in later years, with little to no earnings in the early years. LOUP attempts to balance these risks with the opportunities they may present by maintaining a disciplined approach to fundamentals.

This disciplined approach is evidenced by the chart below which highlights valuation metrics for LOUP, the ARK Innovation ETF (ARKK), and the Nasdaq-100 index. Not only does LOUP tend to skew smaller, but its valuations appear "cheaper" than both ARKK and the Nasdaq-100.

	LOUP	ARKK	NASDAQ -100
Market Capitalization	17.89 billion	28.17 billion	464.93 billion
Price/Earnings Ratio[1]	19.89	35.27	28.25
Price/Book Ratio[2]	2.42	2.21	7.28
Price/Sales Ratio[3]	2.98	7.92	4.55
Price/Cash Flow Ratio[4]	13.01	24.91	18.06

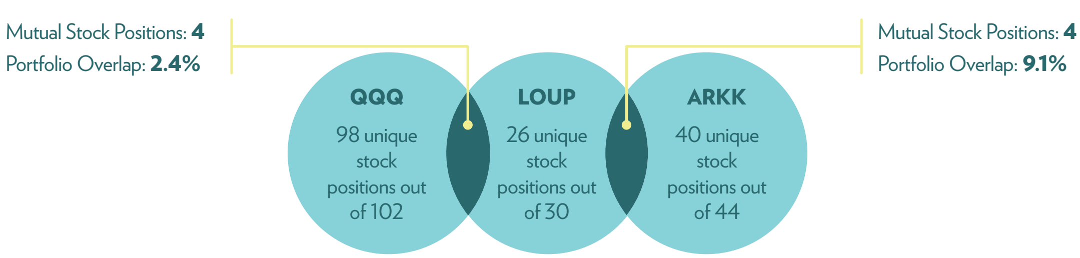
Source: Morningstar.com. Data as of 12/15/2021.

HOW LOUP CAN POTENTIALLY BENEFIT YOUR TECH PORTFOLIO:

- Maintain/build exposure to disruptive technology stocks
- Diversify managers, adding legendary tech investor, Gene Munster, and his experienced research team, to the mix
- Exhibits low portfolio overlap with ARKK, QQQ and other tech strategies

The future of technology is unlikely to remain with the same FAANG stocks that have carried technology over the past several years. We believe that while exposure to emerging themes is important, what is more critical are the research team behind the ideas and the investment discipline with which the strategy is applied. Gene Munster and his team have more than twenty years of experience discovering cutting edge companies paving the path forward to new technologies.

LOUP has little overlap with either QQQ and ARKK as shown below.



Source: Innovator ETFs and Ark Investment Management, data as of 12/15/2021

INNOVATOR
exchange-traded funds

IMPLEMENTATION IDEA:

Clients with exposure to high growth, high conviction portfolios like ARKK are subject to boom and bust years. Clients may have made initial investments or increased their position in ARKK in 2021 and could be sitting on sizable unrealized losses at the end of 2021. The Innovator Loup Frontier Tech ETF (LOUP), can be used as part of a tax-loss harvesting strategy with high growth tech strategies like ARKK.

	YTD	1 YEAR	3 YEAR
Innovator LOUP Frontier Tech ETF (NAV)	7.67%	7.67%	38.16%
ARK Innovation ETF (NAV)	-23.56%	-23.56%	38.60%
Nasdaq-100 Total Return Index	27.51%	27.51%	38.34%

Source: Zephyr. Data through December 31, 2021

The excitement around disruptive tech means it is hard to get ahead of a trend for very long, and it is hard to find opportunities that are not fully appreciated. LOUP offers a contrarian approach to investing in disruption that emphasizes future cash flows, new technologies, market sizes, and optionality. The research team's respect for valuation also allows it to create exposure to disruption at valuations that may offer greater potential for expansion. Heading into 2022, we believe LOUP is well-positioned for another exciting year.

	YTD	1 Year	3 Year	5 Year	Since Inception
ETF NAV	7.67%	7.67%	38.16%	-	24.86%
ETF Closing Price	7.54%	7.54%	38.19%	-	24.83%
Loup Frontier Tech Index	8.44%	8.44%	39.34%	-	25.69%
NASDAQ-100 Index[5]	27.51%	27.51%	38.34%	-	27.00%

The Loup Frontier Tech Index is a rules-based stock index owned, developed and maintained by Loup Funds, LLC, that seeks to identify and track those companies identified as being on the frontier of the development of new technologies that have the potential to have an outsized influence on the future.

Data as of 12/31/2021. The fund incepted on 7/24/2018. 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. Visit innovatoretfs.com/LOUP for current month-end performance. The expense ratio for LOUP is 0.70%. One cannot invest directly in an index. Index returns do not account for fund fees and expenses. Current performance may be higher or lower than that quoted.

Definitions

1. Price/Earnings ratio: The price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

2. Price/Book ratio: The price-to-book ratio (P/B ratio) is calculated by dividing the company's stock price per share by its book value per share (BVPS).

3. Price/Sales ratio: The price-to-sales ratio (P/S ratio) is calculated by taking a company's market capitalization (the number of outstanding shares multiplied by the share price) and dividing it by the company's total sales or revenue over the past 12 months.

4. Price/Cash Flow ratio: The price-to-cash flow (P/CF) ratio is a multiple that compares a company's market value to its operating cash flow or its stock price per share to operating cash flow per share.

5. Nasdaq-100 index: The index includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

The purpose of some of the information in this material is to provide Investors with a means to evaluate investmen strategies of LOUP as compared to ARKK and QQQ. All funds are managed differently and do not react the same to economic or market events. The investment objectives, strategies, policies or restrictions of other funds may differ and more information can be found in their respective prospectuses. Therefore, we generally do not believe it is possible to make direct fund to fund comparisons in an effort to highlight the benefits of a fund versus another similarly managed fund. For more information and important disclosures **click here**.

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.

The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market.

Standard Deviation is a measure of how spread out the prices or returns of asset are on average. Beta is a measure of volatility. Sharpe Ratio is a risk-adjusted measure calculated using standard deviation. 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. Along with general market risks, an ETF that concentrates its investments in the securities of a particular industry, market, sector, or geographic area may be more volatile than a fund that invests in a broader range of industries. Additionally, the Fund may invest in securities that have additional risks.

Foreign companies can be more volatile, less liquid, and subject to the risk of currency fluctuations. This risk is greater for emerging markets. Small- and mid-cap companies can have limited liquidity and greater volatility than large-cap companies. 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 carefully before investing. The prospectus contains this and other important information, and it may be obtained at innovatoretfs.com. Read it carefully before investing.

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