

2021 Case Study: Emerging Markets

Using EJan as a Risk-Managed Emerging Markets Strategy

PROBLEM

Emerging Markets investing remains a challenging exposure for some investors. On the one hand, emerging markets offer favorable demographics, compelling valuations relative to advanced economies, the opportunity to diversify investment portfolios, and strong growth opportunities. On the other hand, underperformance relative to US markets in recent years and increased volatility due to a myriad of risks (political, economic, currency, liquidity, among others) has made investors weary, and for those invested, maintaining even an underweight position to the asset class can seem difficult. We believe this makes finding risk-managed ways to invest in emerging markets an attractive opportunity.

POTENTIAL SOLUTION

» *Innovator Emerging Markets Power Buffer ETF – January (EJan)*

EJan seeks to track the return of the iShares MSCI EM ETF (EEM), up to a predetermined cap, while buffering investors against the first 15% of losses over the outcome period. The ETF can be held indefinitely, resetting at the end of each outcome period, approximately annually.

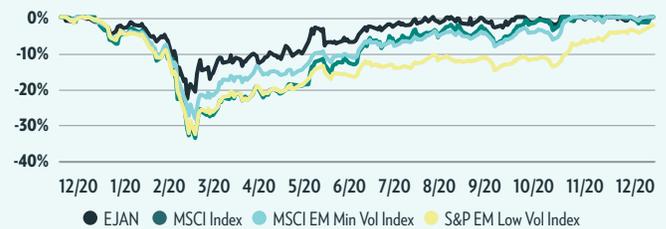
To address additional volatility in the emerging markets asset class that investors inevitably assume and can happen at any time for any number of reasons, EJan is a tax-efficient solution, which can unlock the potential growth of these attractive markets with a buffer for risk management.

RESULTS

The Covid crisis in 2020 demonstrated the power of a buffer. Investors in EJan experienced a maximum drawdown nearly half that of the index, and minimum and low volatile strategies, with the latter designed to be protective in exactly this crisis-type event.

	Max Drawdown Value	Max Drawdown Recovery Date	Recovery Length (Days)
EJan	-23.1%	8/17/2020	152
MSCI EM Index	-33.9%	11/5/2020	227
MSCI EM Min Vol Index	-28.6%	11/11/2020	233
S&P EM Low Vol Index	-32.8%	1/13/2021	296

2020 MAXIMUM DRAWDOWN ANALYSIS



Source: Bloomberg, as of 12/31/2019-12/31/2020.

	EJan	MSCI EM PR Index	MSCI EM Min Volatility TR Index	S&P BMI EM Low Volatility TR Index
Covid Crisis				
Return ¹	11.86%	15.84%	7.79%	-1.95%
Volatility	21.99%	24.06%	18.50%	19.69%
Max Drawdown	-23.12%	-33.89%	-28.57%	-32.84%
YTD Return				
Return ¹	-0.17%	-2.96%	3.84%	13.56%
Volatility	9.57%	16.00%	10.19%	9.00%
Max Drawdown	-5.66%	-15.51%	-6.06%	-5.57%

¹The Covid crisis is defined as the entire year 2020. YTD returns represent the period from 12/31/2020-9/30/2021.

Source: Bloomberg plc. Past performance is no guarantee of future returns. Results are historical, and for illustrative purposes only. MSCI EM Index is a broad measure of emerging market equities. MSCI EM Min Vol and S&P EM Low Vol Indexes are broad measures of emerging market equities that exhibit historically lower than average volatility. It is not possible to invest directly in an index. Volatility is a statistical measure of the dispersion of returns for a particular asset or index. Maximum drawdown is the peak-to-trough decline of an asset or index during a specific period.

OUTLOOK

We believe the probability of a contagion spread to the global markets from the more recent Evergrande and broader property developer situation is low, but emerging markets equities and bonds may continue to experience a downdraft if clarity and information remain elusive. That said, with the possibility of increased volatility in emerging markets in general, EJan can be used as an emerging markets core allocation or a complement to existing emerging markets holdings in investors portfolios.

For More Information on the case for Emerging Markets, please refer to https://www.innovatorretfs.com/pdf/em_gray_skies_green_shoots.pdf

	Expense Ratio	YTD	1 Year	3 Year	5 Year	Since Inception
EJAN NAV	0.89%	-0.17%	11.30%	-	-	6.51%
EJAN Closing Price		-0.41%	10.43%	-	-	6.49%
MSCI Emerging Markets (PR) Index	-	-2.96%	15.81%	-	-	6.92%

Data as of 9/30/2021. The Fund inception on 12/31/2019. 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. Returns less than one year are cumulative. One cannot invest directly in an index. For most recent month-end performance, visit www.innovatoretfs.com/ejan

¹ Fund return: The current NAV return of the Fund, after fees and expenses, since the start of the Outcome Period.

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 Funds is right for you, please see "Investor Suitability" in the prospectus.

The outcomes that the Funds seek to provide may only be realized if you are holding shares on the first day of the Outcome Period and continue to hold them on the last day of the Outcome Period, approximately one year. There is no guarantee that the Outcomes for an Outcome Period will be realized or that the Fund will achieve its investment objective.

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.

Non-U.S. securities and Emerging Markets are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments, restrictions on foreign investment or exchange of securities, lack of liquidity, currency exchange rates, excessive taxation, government seizure of assets, different legal or accounting standards, and less government supervision and regulation of securities exchanges in foreign countries.

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.

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.

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 inception. After the conclusion of an outcome period, another will begin.

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 losses of the EEM 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 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. Read it carefully before investing.

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