

Ticker EPRF

Launch date 5/24/2016

Expense ratio 0.47%

Dividend frequency Monthly

Index S&P U.S. High Quality Preferred Stock Index

WHY A HIGH QUALITY PREFERRED STOCK ETF?

- » Manage preferred risk
- » Seek to improve your underlying preferred stock credit quality
- » Low overlap to existing preferred ETFs

“Preferred stocks rank lower in the capital structure than other forms of debt, so credit risk is higher than senior debt. This is of particular concern in environments where default risk is high.”

—S&P Dow Jones Indices

INDEX METHODOLOGY

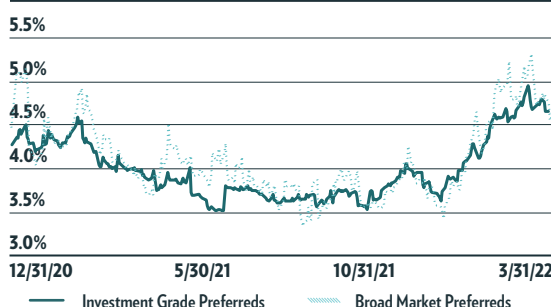
- » S&P U.S. Preferred Stock Index
- » Select investment grade preferreds (BBB- or better)
- » Equal-weight by issuer
- » Rebalance Quarterly

The **Innovator S&P Investment Grade Preferred ETF** is the only ETF that holds exclusively investment grade preferred stocks.

EPRF seeks to track the S&P U.S. High Quality Preferred Stock Index, which holds fixed, floating or variable-rate preferred stock listed on U.S. exchanges by investment grade issuers (BBB- or higher).

Rather than assigning the largest weights to the biggest debtors, the index assigns an equal weight to each issuer and to each component security within each issuer.

INVESTMENT GRADE YIELDS OFTEN MATCH THE YIELDS OF THE BROADER PREFERRED MARKET



Volatility of Preferred Market Yields

Broad Market	Investment Grade
12.0%	5.6%

From 1/1/2020 through 3/31/2022, investment grade preferred yields exhibited less than half the volatility of broad market preferred yields.

Source: Bloomberg LP. Investment grade preferred yields measured by ICE BofA Investment Grade Preferred & Hybrid Securities Index. Broad market preferred yields measured by ICE BofA Exchange-Listed Preferred & Hybrid Securities Index.

At the end of March 2022, the investment grade preferred market was offering the same yield as the broad preferred market, but with no exposure to unrated or speculative grade preferreds.

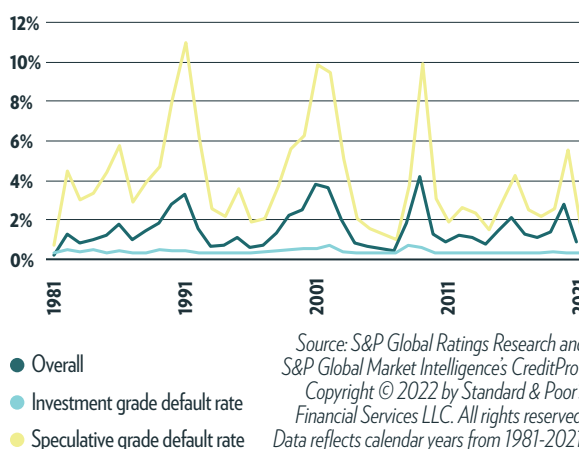
Put another way, the investment grade preferred market was offering a higher yield per unit of credit risk.

DEFAULT AND DOWNGRADE RISK

The subordinated position of preferred stock within the capital structure makes it an inherently riskier security than senior debt. To the extent that a company is likely to default, investors in its preferred stock will be at greater risk of losing their investment.

All else equal, the lower rate of default among investment grade issuers may help to offset the inherent risk of preferreds' lower status in the capital structure.

GLOBAL CORPORATE DEFAULT RATES: INVESTMENT GRADE VS. SPECULATIVE GRADE



Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®
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Data reflects calendar years from 1981-2021.

CREDIT QUALITY EXPOSURE

	S&P U.S. High Quality Preferred	S&P U.S. Preferred
AA+	0.00%	0.00%
AA-	0.00%	0.00%
A+	0.0%	0.00%
A	0.0%	0.00%
A-	7.0%	0.27%
BBB+	16.9%	4.41%
BBB	61.0%	12.84%
BBB-	11.5%	23.66%
BB+	0.0%	27.02%
BB	3.7%	5.46%
BB-	-	2.43%
B+	-	2.15%
B	-	1.32%
B-	-	0.53%
C	-	0.00%
N.R.	-	19.91%

Source: S&P Dow Jones Indices. As of 3/31/2022.



EPRF holds a combination of fixed and floating rate investment grade preferreds providing a unique opportunity to obtain broad preferred stock exposure, in an effort to mitigate credit risk and offer competitive yields.

Coupon Type	Weight
Fixed	85.0%
Floating	2.9%
Variable	12.1%
Total	100.0%

As of 3/31/2022

STANDARDIZED PERFORMANCE

	YTD	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	-8.10%	-5.58%	2.90%	3.24%	2.80%
Fund Closing Price	-8.04%	-5.95%	2.81%	3.22%	2.72%
S&P U.S. High Quality Preferred Index	-8.04%	-5.22%	3.30%	3.71%	3.31%

Data as of 3/31/2022. Fund Incepted on 5/23/2016. 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 returns go to innovatoretf.com/eprf.

- Investment grade preferreds are represented by the S&P U.S. High Quality Preferred Stock Index.
- The Broad Preferred space is represented by the S&P Preferred Stock Index.
- High yield corporate bonds are represented by the S&P High Yield Corporate Bond Index.
- Corporate bonds are represented by the IBOX Corporate Bond Index.
- Weighted Avg Discount to Par: Discount to par is the amount by which a preferred stock is trading above or below its par price. Instead of using equal weights to calculate the average discount to par, the weighted average discount to par is calculated using the weight of each preferred stock in the portfolio.
- % Trading below par: The percentage of the preferreds in the portfolio that currently have a price below their par price.
- QDI stands for qualified dividend income. QDI is taxed at the same rate as are capital gains, while ordinary dividend income is taxed at standard federal income tax rates.
- Cumulative Preferreds are distinguished by their accrual feature. If a cumulative preferred misses its dividend payment, the dividend accrues until it is fully paid.
- SEC 30 Day Yield is a standard yield calculation developed by the Securities and Exchange Commission. It is based on the most recent 30-day period. It is calculated by dividing the net investment income (less expenses) per share over a 30-day period by the current maximum offering price.

The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market. The S&P U.S. Preferred Stock Index represents the US preferred stock market.

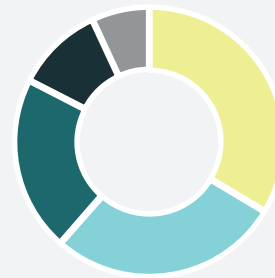
Investing involves risk including possible loss of principal. Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred securities are typically subordinated to bonds and other debt securities in a company's capital structure in terms of priority to corporate income, subjecting them to greater credit risk than those debt securities. An increase in interest rates may cause the value of securities held by the Fund to decline. Generally, holders of preferred securities have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may obtain limited rights. In certain circumstances, an issuer of preferred securities may defer payment on the securities and, in some cases, redeem the securities prior to a specified date. Preferred securities may

FUND CHARACTERISTICS

Wtd. Avg. Premium to Par ⁵	-2.0%
% Trading Below Par ⁶	54.6%
% Investment Grade	100.0%
QDI Eligible ⁷	71.0%
Cumulative Preferreds ⁸	23.7%
SEC 30 Day Yield ⁹	4.96%

As of 3/31/2022. Subject to change.

INDUSTRY WEIGHTS



Banks	33.6%
Insurance	27.8%
Other Financials	21.1%
Real Estate	10.5%
Utilities	6.9%

Source: Bloomberg L.P. as of 3/31/2022. Subject to change.

also be substantially less liquid than other securities, including common stock.

S&P and Moody's study the financial condition of an entity to ascertain its creditworthiness. The credit ratings reflect the rating agency's opinion of the holdings financial condition and histories. For information on the rating agencies methodology, visit <http://www.standardandpoors.com> or <https://www.moody.com>.

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 innovatoretf.com. Read it carefully before investing.

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