INNOVATOR
exchange-traded funds

Innovator Managed Outcome ETFs™

# INNOVATOR MANAGED BUFFER ETFs™

## Innovator Managed Outcome ETFs™

- Simplified Buffer ETF™ investing
- Smoother overall investment experience
- Tax-efficient
- No credit risk

**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.**

**Market Disruptions Resulting from COVID-19.** The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

# What are Innovator Managed Buffer ETFs™?

In 2018, Innovator launched the world's first Buffer ETFs™, marking the inception of what is today the industry's largest and widest-ranging lineup of Outcome Based ETFs.

While many advisors like the idea of opportunistically investing in defined outcomes, some understandably don't have the time and resources to monitor and evaluate a full suite of ETFs and others are uncertain of the best way to go about it.

Managed Buffer ETFs™ are designed to help meet these challenges, offering advisors easily implemented, single-ticker solutions that seek to offer the benefits of defined outcome investing.

The Innovator flagship Defined Outcome ETFs™ provide investors a known outcome: the ability to take advantage of market growth potential, to a cap, while maintaining a known buffer level of 9%, 15%, or 30%, against loss.

Managed Buffer ETFs™, a subset of Innovator Managed Outcome ETFs™, still offer a built-in buffer, but for investors that do not need a known outcome, allow them to pursue the benefits of Buffer ETF™ investing, but with greater simplicity and efficiency.

**MANAGED OUTCOME ETFs™**

| Managed Buffer ETFs™ | |
|---|---|
| Step-Up ETFs™ | Laddered Buffer ETFs™ |
| Opportunistic | Equal-weighted |
| 9% | 9% |
| 15% | 15% |

**DEFINED OUTCOME ETFs™**

| Buffer ETFs™ | | | |
|---|---|---|---|
| 9% | 15% | 20% | 30% |

## Features of Managed Outcome ETFs™

EASY TO IMPLEMENT

REDUCED CAP-TIMING RISK

SMOOTHER OVERALL INVESMENT EXPERIENCE

HISTORICALLY LOWER VOLATILITY, BETA AND DRAWDOWNS RELATIVE TO THE S&P 500

| MANAGED BUFFER ETF™ CHARACTERISTICS | Laddered Buffer ETFs | Step-Up Buffer ETFs |
|---|---|---|
| Built-in Buffers | ● | ● |
| Risk-managed | ● | ● |
| Easy to implement | ● | ● |
| Defined Outcome | | |
| Potential for Outperformance* | | ● |
| Tax-efficient Rotation | ● | ● |
| Actively managed | | ● |
| Rules-based | ● | ● |

* Relative to a static buffer strategy

# Innovator Laddered Buffer ETFs

**BUFB** Laddered Allocation Buffer ETF™

**BUFF** Laddered Allocation Power Buffer ETF™

BUFF and BUFB are Managed Buffer ETFs™ that seek to provide exposure to a diversified portfolio of Defined Outcome ETFs™

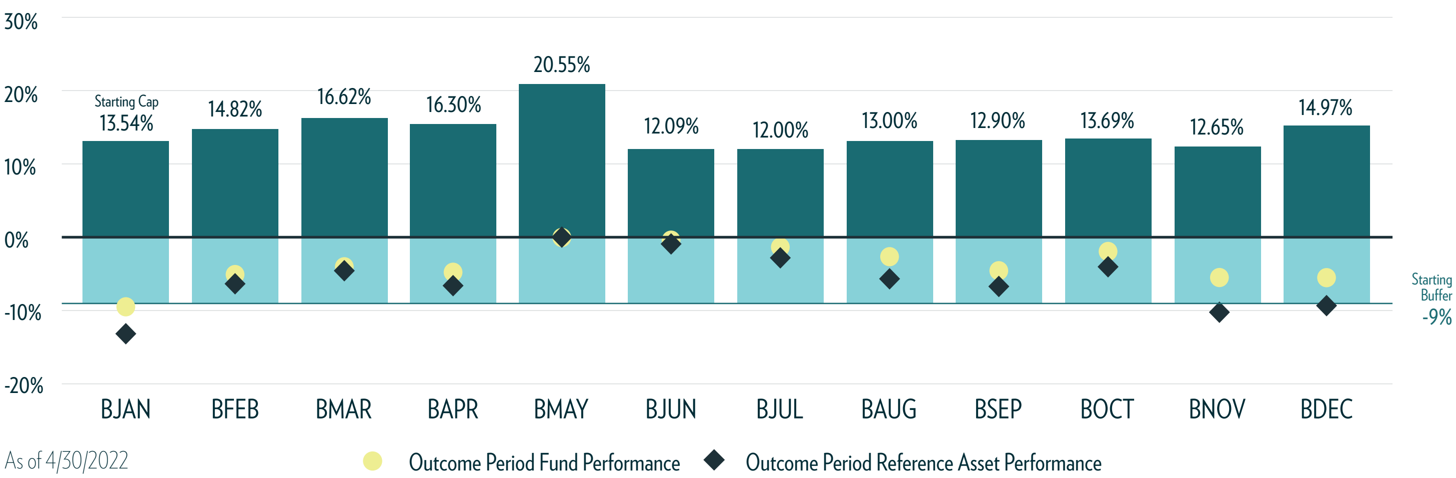
Both BUFF and BUFB invest in a laddered portfolio of 12 one-year Buffer ETFs™. BUFF holds the 15% Power Buffer ETFs™ and BUFB holds the 9% Buffer ETFs™. This strategy offers investors a simple way to participate in a diverse set of buffered outcomes, with the potential for a smoother overall investment experience.

## How do Laddered ETFs Work?

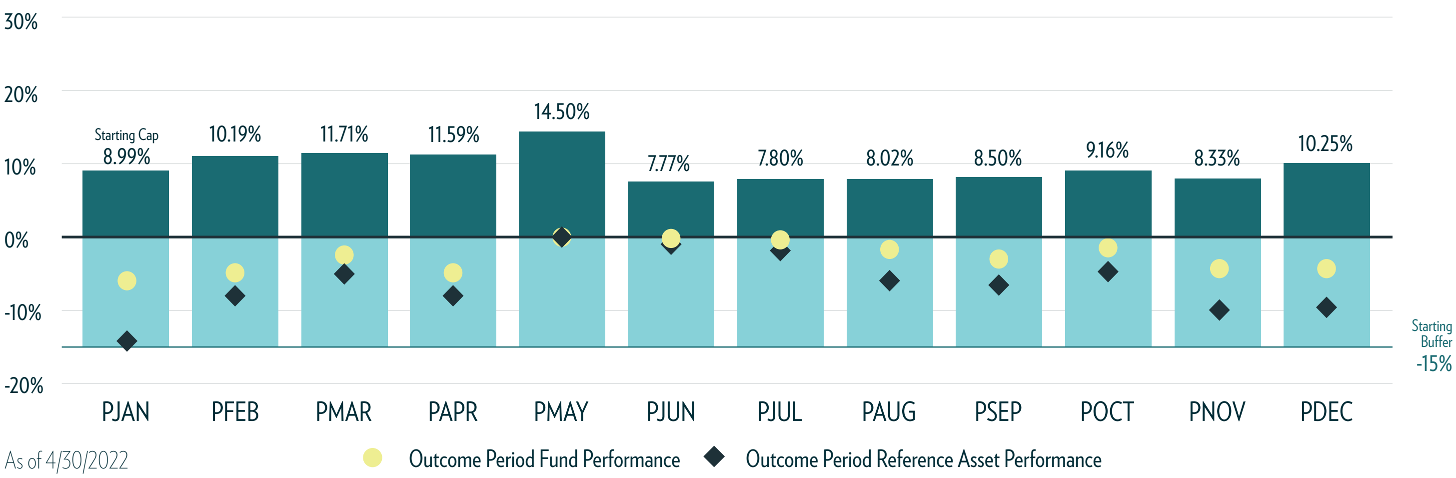
Begin with 12 Monthly Innovator ETFs → Equally weight all 12 ETFs → Each month, one of the ETFs rebalances into a new outcome period → Rebalances semi-annually to equal-weighting

The charts below depict the performance of BUFF's and BUFB's 12 ETF holdings and demonstrate how much upside potential or downside buffer is remaining in each position.

### BUFB OUTCOME PERIOD CAPS AND RETURNS (9% BUFFER)




### BUFF OUTCOME PERIOD CAPS AND RETURNS (15% BUFFER)



# Innovator Step-Up ETFs™

**BSTP** Buffer Step-Up Strategy ETF™

**PSTP** Power Buffer Step-Up Strategy ETF™

BSTP and PSTP are Managed Buffer ETFs™ that seek to provide opportunistically-managed buffer strategies.

Both BSTP and PSTP hold a 1-year buffer/cap defined outcome, evaluated monthly for opportunities to "step up." BSTP pursues a 9% buffer while PSTP seeks a15% Buffer. This strategy offers investors a simple way to participate in an opportunistic buffer strategy without having to continually evaluate the full suite of Buffer ETFs™.

## How do Step-Up Strategies Work?

Step-Up ETFs™ begin with a one-year Options portfolio.

1. Set market exposure
   - ✓ SPY
2. Set buffer level
   - ✓ 9%
   - ☐ 15%
3. Set outcome period
   - ✓ Approx. 1 Year
4. Construct basket to match index exposure, buffer level, and term
   - ✓ Flex Options
5. Evaluate monthly for opportunistic reset

At each monthly portfolio evaluation, if a step-up threshold has not been met, the portfolio remains unchanged; if a step-up threshold has been met, the fund will roll into a new 1-yr options portfolio with a fresh buffer and new upside cap.

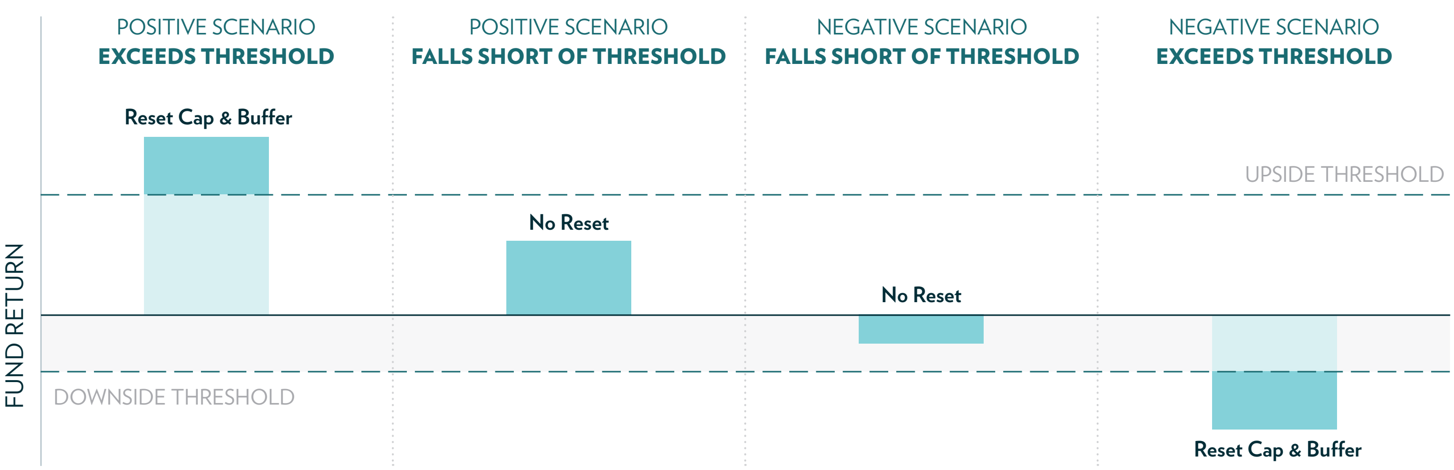
### CURRENT THRESHOLDS

| | Positive Markets | Negative Markets |
|---|---|---|
| BSTP | 5% | -2% |
| PSTP | 4% | -1% |

### STEP-UP METHODOLOGY

| STEP-UP SCENARIO (IN UP OR DOWN MARKETS) | | NO STEP-UP SCENARIO |
|---|---|---|
| Portfolio evaluated to determine if Fund meets the up or down threshold | **Two Business Days Prior to End of Month** | Portfolio evaluated and Fund step-up threshold not met |
| Fund sells current Options Portfolio and purchases new options package | **Last Business Day of Month** | No change to Options Portfolio |
| New 1 yr. Options Portfolio with fresh 9% or 15% buffer level and upside cap | **First Business Day of Next Month** | Current Options Portfolio continues |

## Strategy response across different market scenarios

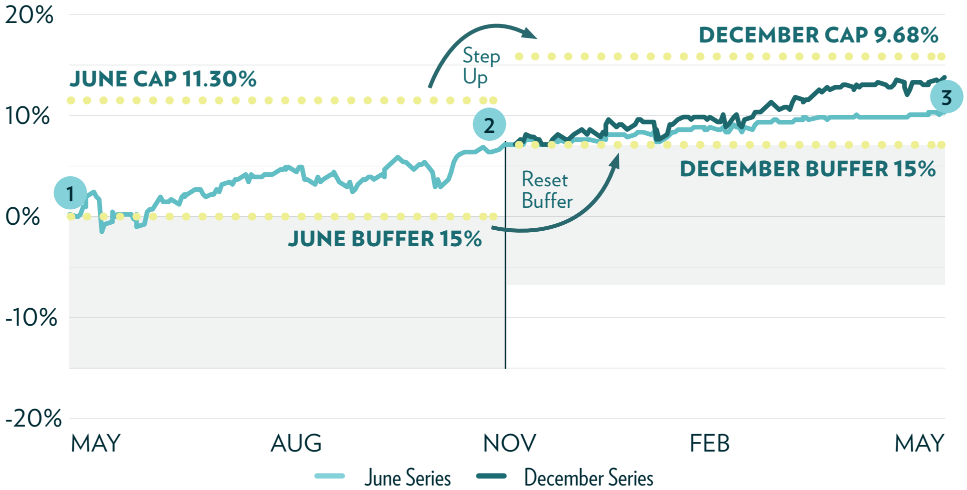



» Seek to lock in gains
» Potentially increase upside
» Obtain a fresh downside buffer
» Eliminate downside before buffer risk

» Lock in potential outperformance
» Expand upside cap
» Fresh downside buffer
» Increase portfolio's upside potential

# Potential Benefits of Step-Up ETFs™

**1 CAPTURE GAINS AND POTENTIALLY MITIGATE DOWNSIDE-BEFORE-BUFFER RISK:** When the value of the fund has increased, stepping up to the next month locks in the gain and resets the buffer:




**Hypothetical Example: 1-year 15% Buffer**

**1.** The June 2020 series offered a cap of 11.30%. After six months, the value of this basket of options had increased 7%.

**2.** Lock in the 7% gain on the June series and step up to the December series with a cap of 9.68%.

**3.** In the first half of its outcome period, the December series exceeded the return of the June series by 330 bps (basis points).

*Bps is short for basis points. A basis point is one hundredth of one percent (e.g. 1 basis point is one hundredth of 1%, or 0.01%).*

*The hypothetical graphical illustration provided above are designed to illustrate the Outcomes based upon the hypothetical performances of the Underlying ETF for investors who hold Shares for the entirety of the Outcome Period and does not provide every possible performance scenario. The returns that the Fund seeks to provide do not include the costs associated with purchasing Shares and certain expenses incurred by the Fund. There is no guarantee that the Fund will be successful in its attempt to provide the Outcomes.*

*"Cap" refers to the maximum potential return, before fees and expenses and any shareholder transaction fees and any extraordinary expenses, if held over the full Outcome Period. "Buffer" refers to the amount of downside protection the fund seeks to provide, before fees and expenses, over the full Outcome Period. Outcome Period is the intended length of time over which the defined outcomes are sought.*

**2 POTENTIALLY CAPTURE OUTPERFORMANCE IN DOWN MARKETS:** In calendar months when the S&P 500 was down, a 9% and 15% buffer strategy on average captured only 51.5% and 34.8% of the downside, respectively[1]. The following table highlights the significance of mitigating negative returns:

| Period | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Strategy Return | -2.5% | -2.5% | -2.5% | -2.5% |
| Index Return | -5% | -5% | -5% | -5% |
| Cumulative Strategy Return | -2.5% | -4.9% | -7.3% | -9.6% |
| Cumulative Index Return | -5% | -9.8% | -14.3% | -18.5% |

For Illustrative purposes only.

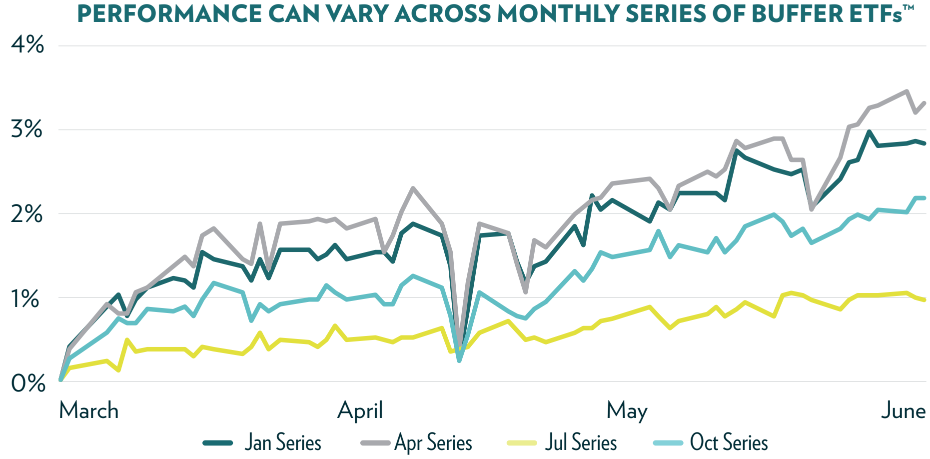
**3 SEEK TO TAKE ADVANTAGE OF DISPARATE RETURN PATHS:** As a buffer/cap portfolio gets closer to its cap, it has less upside potential and becomes less sensitive to increases in the value of the reference asset.

Using a Step-Up ETF™ has the potential to create increased upside by moving to a higher cap and by increasing the portfolio's sensitivity to upward moves in the reference asset.

**Return dispersions create opportunities to rotate:**

In this chart, each ETF has a 15% buffer and SPY as its reference asset, but each exhibits its own level of sensitivity to the reference asset:

**PERFORMANCE CAN VARY ACROSS MONTHLY SERIES OF BUFFER ETFs™**




*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/define for current month-end performance.*

[1] Source: Bloomberg LP, as of 2/28/2022

# How can advisors use Managed Buffer ETFs™?

Depending on the level of familiarity with Buffer ETFs™, there are numerous ways that advisors can use Managed Buffer ETFs™. Below we highlight three use cases:

### 1. GET FAMILIAR WITH BUFFER ETFs™

For advisors who aren't yet quite comfortable with choosing individual Defined Outcome ETFs™, Managed Buffer ETFs™ can be a simple point of entry to begin incorporating defined outcome investing into client portfolios. Using them in this way can also provide an opportunity to learn about Buffer ETFs™ by observing the outworking of the Managed Buffer ETF strategies.

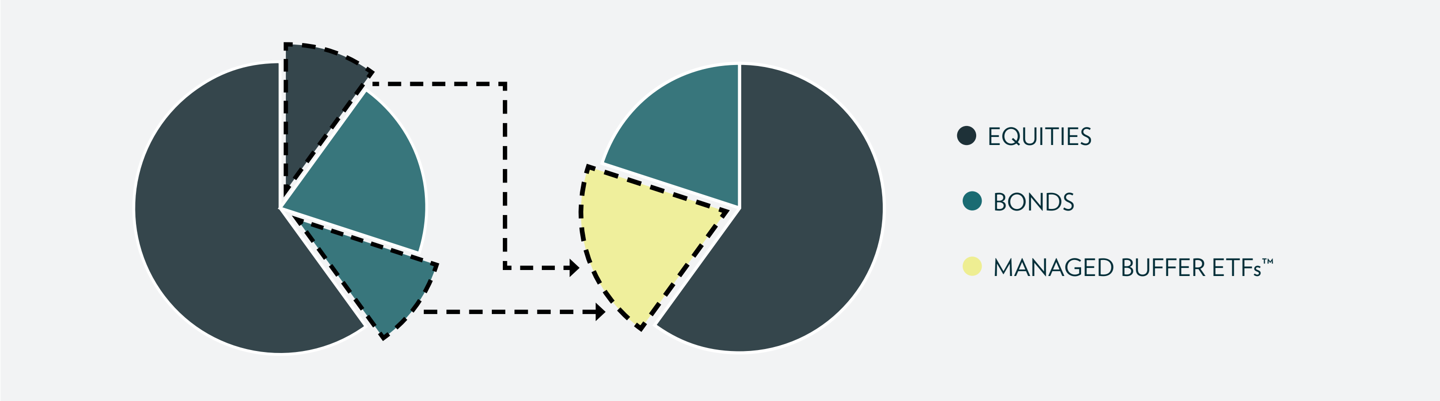
### 2. LIQUIDITY SLEEVE OR PLACE HOLDER

For advisors who are already comfortable navigating the full suite of Buffer ETFs™, Managed Buffer ETFs™ can be used as a place holder or as a tool for transition management until the right Buffer ETF opportunity presents itself.

### 3. MODEL IMPLEMENTATION

Managed Buffer ETFs™ offer an easy-to-implement, one-ticker solution for defensive allocations across a wide range of model portfolio objectives.

### WHERE DO MANAGED BUFFER ETFs™ FIT?




**The Fund will not receive or benefit from any dividend payments made by the Underlying ETF, therefore the fund does not provide investment income.**

**Options are financial derivatives that give buyers the right, but not the obligation, to buy (call) or sell (put) an underlying asset at an agreed-upon price and date. The funds use structured options strategies to achieve a return profile according to it's buffer objective. There is no guarantee a fund will achieve it's investment objective.**

# Innovative collaboration

Advancements in the world's economies and technology have allowed financial institutions to develop sophisticated and cost-effective safeguards that help effectively weather volatile markets and create outcomes that are more clearly defined. Innovator Capital Management has harnessed these advancements by working with several of the world's leading financial institutions to build Innovator Defined Outcome ETFs™. Together, these global institutions are helping investors better manage risk and move forward with confidence.

**SUB-ADVISOR**
Milliman Financial Risk Management

**LISTING EXCHANGE**
Cboe Global Markets

**LISTING EXCHANGE**
New York Stock Exchange

| | NAV | | | | MARKET PRICE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Ticker** | **YTD** | **1 Year** | **3 Year** | **Inception** | **YTD** | **1 Year** | **3 Year** | **Inception** | **Inception Date** |
| PJAN | -2.31% | 2.96% | 6.51% | 8.29% | -2.10% | 3.23% | 6.51% | 8.38% | 12/31/2018 |
| PFEB | 0.38% | 6.61% | - | 8.65% | 0.30% | 6.57% | - | 8.59% | 1/31/2020 |
| PMAR | 1.99% | 8.80% | - | 10.67% | 2.29% | 9.31% | - | 10.90% | 2/28/2020 |
| PAPR | 0.89% | 7.71% | 6.98% | 6.97% | 1.13% | 7.66% | 7.02% | 7.01% | 3/29/2019 |
| PMAY | 0.04% | 6.04% | - | 9.71% | 0.29% | 6.31% | - | 9.78% | 4/30/2020 |
| PJUN | -0.08% | 4.77% | - | 8.76% | -0.14% | 4.94% | - | 8.81% | 5/31/2019 |
| PJUL | -0.39% | 4.18% | 6.79% | 5.78% | -0.49% | 4.60% | 6.77% | 5.82% | 8/7/2018 |
| PAUG | -0.77% | 3.99% | - | 7.74% | -0.71% | 4.41% | - | 7.84% | 7/31/2019 |
| PSEP | -1.38% | 4.07% | - | 7.97% | -1.05% | 4.63% | - | 8.09% | 8/30/2019 |
| POCT | -0.82% | 5.54% | 8.05% | 6.77% | -0.72% | 6.08% | 8.13% | 6.87% | 9/28/2018 |
| PNOV | -1.43% | 2.40% | - | 7.59% | -1.57% | 2.80% | - | 7.67% | 10/31/2019 |
| PDEC | -1.62% | 4.71% | - | 7.42% | -1.73% | 4.94% | - | 7.45% | 11/29/2019 |
| BJAN | -3.26% | 5.61% | 10.83% | 13.44% | -3.14% | 5.80% | 10.82% | 13.49% | 12/31/2018 |
| BFEB | 0.51% | 10.95% | - | 13.50% | 0.81% | 11.44% | - | 13.69% | 1/31/2020 |
| BMAR | 0.85% | 12.27% | - | 15.10% | 1.19% | 12.54% | - | 15.33% | 2/28/2020 |
| BAPR | 1.77% | 13.07% | 10.78% | 10.75% | 1.62% | 12.88% | 10.78% | 10.76% | 3/29/2019 |
| BMAY | -1.51% | 7.71% | - | 13.55% | -1.26% | 8.08% | - | 13.64% | 4/30/2020 |
| BJUN | -0.80% | 7.03% | - | 11.21% | -0.61% | 7.29% | - | 11.29% | 5/31/2019 |
| BJUL | -1.30% | 6.10% | 9.01% | 7.34% | -1.15% | 6.52% | 9.10% | 7.43% | 8/28/2018 |
| BAUG | -1.97% | 6.07% | - | 10.53% | -2.01% | 6.06% | - | 10.55% | 7/31/2019 |
| BSEP | -2.54% | 6.90% | - | 12.06% | -2.31% | 7.08% | - | 12.17% | 8/30/2019 |
| BOCT | -1.58% | 8.75% | 12.04% | 9.84% | -1.52% | 9.06% | 12.19% | 9.92% | 9/28/2018 |
| BNOV | -2.55% | 3.61% | - | 9.84% | -2.50% | 3.88% | - | 9.98% | 10/31/2019 |
| BDEC | -2.88% | 7.34% | - | 11.63% | -2.78% | 7.54% | - | 11.78% | 11/29/2019 |

*Data as of 3/31/2021. Expense ratio: 0.79%. 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/define for current month-end performance. One cannot invest directly in an index.*

[1] Static Buffer Strategies or Defined outcome strategies seek to produce pre-determined investment outcomes based upon the performance of an underlying security over a specific period of time (e.g., one year). However, unlike other ETFs that utilize a defined outcome investment strategy, the Fund does not seek to provide shareholders with the Buffer over any specified time period. Instead, the Sub-Adviser will seek to opportunistically manage its investment exposures by periodically terminating its FLEX Options investments earlier than its one-year expiration and immediately resetting its Options Portfolio for one-year periods.

[2] ETFs use creation units, which allow for the purchase and sale of assets in the fund collectively. Consequently, ETFs usually generate fewer capital gain distributions overall, which can make them somewhat more tax-efficient than mutual funds. Defined Outcome ETFs are not backed by the faith and credit of an issuing institution, so they are not exposed to credit risk.

[3] The ETFs invest directly in options and is not a fund-of-funds, and is therefore not exposed to additional expenses of underlying funds.

[4] Downside Before Buffer is defined as the amount of Fund loss incurred before the buffer begins due to the Fund appreciating in value.

Stepping up, or rotating into a different Defined Outcome ETF, may generate tax implications such as short-term capital gains and should be considered in your investment decision making process.

**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, nondiversification 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.

**Management Risk.** The Fund is subject to management risk because it is an actively managed portfolio. The Sub-Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that the Fund will meet its investment objective.

**Step-Up Strategy Risk**. There is no guarantee the Fund will be successful in implementing a step-up strategy. In order to provide the Buffer, the Fund's strategy is subject to maximum potential gains. This maximum potential gain will likely change at each resetting of the Option's Portfolio. In the event an investor purchases Shares after the FLEX Option contracts were entered into and prior to a step-up or the expiration of such option contracts, there may be little or no ability for that investor to experience an investment gain on their Shares or little or no ability to benefit from the Buffer until the Sub-Adviser rebalances the Fund's Options Portfolio. However, there is no guarantee that, at the end of any given month, the Fund will be able to enter a more advantageous Options Portfolio and implement the step-up mechanism. Fund's step-up strategy may result in performance that is lower than that of the reference asset or of a fund with an options portfolio that does not implement a step-up strategy. Because the value of the Options Portfolio does not increase or decrease at the same rate as the reference asset's share price on a day-to-day basis (although they generally move in the same direction) there will be periods of time in which the Fund's NAV underperforms the price return of the reference asset. In this situation, if the Sub-Adviser rebalances the Options Portfolio prior to its one-year expiration in accordance with the step-up strategy, the Fund may have underperformed the reference asset for that period of time. Similarly, the Sub-Adviser may elect to reset the Fund's Options Portfolio at a point in time in which the Fund has utilized all or a portion of its Buffer. While this will provide shareholders with the potential of an additional Buffer, the Options Portfolio would simultaneously reset its maximum gain potential and could lower the Fund's upside performance potential over certain time periods.

**Buffer Risk.** There can be no guarantee that the Fund will be successful in providing the Buffer. A shareholder may lose their entire investment. The Buffer is provided at the expiration of the options contracts. Any interim losses experienced by the Underlying ETF may be experienced by the Fund and its shareholders. Because the Options Portfolio provides a Buffer against the first 9% or 15% of Underlying ETF losses only for the duration of the one-year term of the options contract, it is possible that, during the term of any Options Portfolio, shareholders will realize some losses on initial price decreases of the Underlying ETF of less than 9% or 15%. These potential losses are possible even if a shareholder remained in the Fund for a one-year period after an Options Portfolio was established, as it is likely that the Options Portfolio will reset during time.

***The Funds' 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 innovatoretfs.com. Read it carefully before investing.***

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