INNOVATOR
exchange-traded funds

Using Innovator ETFs to Navigate 2021

Many of the challenges investors faced in 2020 remain today. Concerns about record high stock markets and valuations, all-time low bond yields (and subsequent inflation concerns), and the dominance of Big Tech have continued to grow. Below, we highlight potential solutions to help investors navigate these three possible challenges throughout 2021 and beyond.

EQUITY SOLUTIONS FOR RECORD HIGH STOCK MARKETS & VALUATIONS

ALTERNATIVES TO RECORD LOW-YIELDING BONDS

INVEST IN THE FUTURE OF TECHNOLOGY

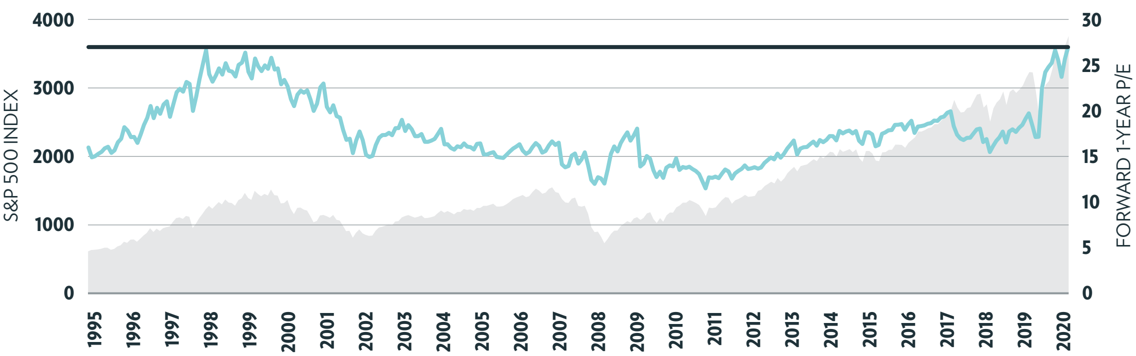
PROBLEM

Stretched valuations leave equities more susceptible to both muted forward returns and downside risk.

EQUITY SOLUTIONS FOR RECORD HIGH STOCK MARKETS AND VALUATIONS

Following a roller coaster ride, the S&P 500 finished 2020 +18%, putting equities back at all-time highs despite ongoing economic uncertainty. Another, arguably greater, concern is whether these gains are stemming primarily from multiples expansion. Valuations now exceed those found during the tech bubble with the S&P 500 trading at 27x 2022's earnings, well above even the last five years' average of 18.8x.

S&P 500 AT RECORD HIGH VALUATIONS



Source: Bloomberg L.P., from 12/31/1995 to 12/31/2020 — S&P 500 Index, Forward 1-Year P/E[1], Current P/E

Past performance is not indicative of future results. You cannot invest directly in an index.

Even when accounting for record low-rates, valuations remain stretched, 12% higher than the average when the 10-year is yielding less than 1%. If history is any indication, rising rates are likely to generate downward pressure on valuations.

S&P 500 Forward 1-year P/E : 27.0
Current 10-year Treasury yield: 0.92%

INTEREST RATES CAN'T FULLY EXPLAIN RECORD HIGH VALUATIONS

10-Yr U.S. Treasury Yield	Average P/E	Median P/E[2]	90th Percentile P/E
0% to 1%	24	25.3	26.2
1% to 3%	16.1	16.6	18.6
3% to 5%	16.5	16.2	19.6

Source: Bloomberg L.P., as of 12/31/2020

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.

SOLUTIONS

TSJA Triple Stacker ETF – January Series

DSJA Double Stacker ETF – January Series

DBJA Double Stacker 9 Buffer ETF – January Series

The Stacker ETFs seek to provide upside exposure to the price return of SPY and one or two ETFs (IWM and QQQ), with downside exposure to the SPY only, over the course of a one year period, before fees and expenses.

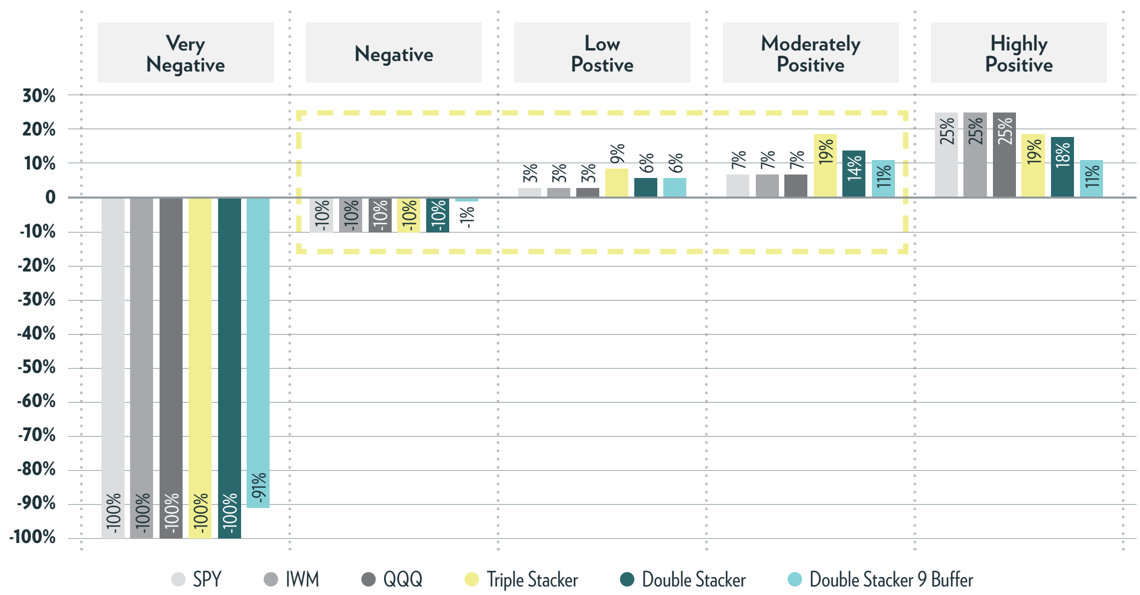
In the case of the Double Stacker 9 Buffer ETF, the fund also seeks to provide an initial buffer of 9% to the SPY losses.

SOLUTION #1: SEEK TO ENHANCE UPSIDE IN LOW TO MODERATE EQUITY RETURN ENVIRONMENTS

For investors expecting more moderate equities returns, the Innovator Stacker ETFs can enhance upside potential in low to moderately positive equity environments.

For example, in a moderately positive equity environment in which the S&P 500, Russell 2000 and Nasdaq 100 ETFs rise 7%, the Stacker ETFs will be expected to return 19%, 14% and 11% respectively.

WHAT INVESTORS CAN EXPECT WITH INNOVATOR STACKER ETFS



PJAN S&P 500 Power Buffer ETF – January Series

NJAN Nasdaq 100 Power Buffer ETF – January Series

KJAN Russell 2000 Power Buffer ETF – January Series

EJAN MSCI EAFE Power Buffer ETF – January Series

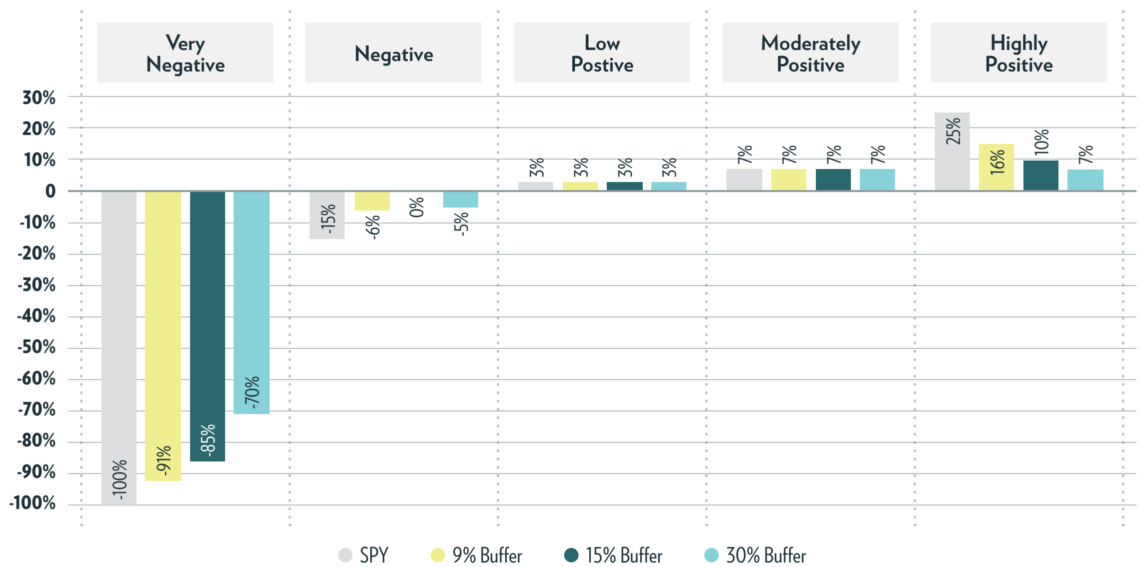
IJAN MSCI EM Power Buffer ETF – January Series

The buffer ETFs seek to track a reference asset, up to a cap, while providing a predetermined buffer against losses over a 1-year outcome period, before fees and expenses.

SOLUTION #2: MODERATE OR NEGATIVE EQUITY RETURN MARKETS

For those who expect moderate equity returns but are wary of valuation or drawdown risks, the Innovator Buffer ETFs let investors to stay in the market, up to a cap, but with built-in buffers against losses.

WHAT INVESTORS CAN EXPECT WITH INNOVATOR BUFFER ETFS



The graphs above are provided for illustrative purposes only. They are designed to illustrate the Outcomes the funds seek to provide based upon the hypothetical performances of the Underlying ETFs for a shareholder that holds Fund Shares for the entirety of the Outcome Period. The table does not provide every possible performance scenario for Shares over the course of an Outcome Period. There is no guarantee that the Funds will be successful in their attempt to provide the Outcomes for an Outcome Period. The returns that the Funds seek to provide do not include the costs associated with purchasing shares of the Fund and certain expenses incurred by the Fund.

PROBLEM

Investors are seeking alternatives to record low-yielding bonds

ALTERNATIVES TO RECORD LOW-YIELDING BONDS

Investors in 2021 are faced with the lowest bond yields on record, despite the recent moderate rise. With current yields to maturity at 1.15%, investors must face the reality that bonds mathematically will not provide returns above 1-2% over the next decade. With these paltry yields, bonds cannot provide the same level of historical diversification and are far more susceptible to short-term downside than upside.

CORE BONDS YIELD TO MATURITY[3] (%)

Source: Bloomberg L.P., from 1/5/2001 to 12/31/2020

SOLUTIONS

PJAN S&P 500 Power Buffer ETF – January Series

UJAN S&P 500 Ultra Buffer ETF – January Series

SOLUTION #1: STAY INVESTED AND BUFFERED

For investors looking to maintain a level of defense and increase upside potential, Buffer Equity ETFs seek to provide built-in buffers against losses with upside potential that is higher than core bond yields. The Fed has created an environment where investors are given incentive to take more risk by moving further out the yield curve. But which is more likely? A 1% rise in bond yields or a 35% drop in equities? We believe the prospect of higher rates poses a bigger risk to bonds than the prospect of an equity downturn poses to the risk a 30% buffer ETF.

WHAT IS MORE LIKELY IN 2021?

Stocks down 35%					Yields up 1%				
-35% (PRICE RETURN)	+	30% (BUFFER)	=	-5% (ETF RETURN)	-7.6% (PRICE RETURN)	+	1.1% (YIELD TO MATURITY)	=	-6.5% (TOTAL RETURN)
S&P 500 Ultra Buffer ETF (UJAN)					Core Bonds				
Cap: 6.8% | Buffer: 30% (-5% to -35%)					*YTM: 1.15% | Duration: 7.6 years*				

For illustrative purposes only. This example is not indicative of the performance of any investment product and does not factor in any fees or trading expenses. There is no guarantee a fund will achieve its investment objective. In general, duration represents the expected percentage change in the value of a security for an immediate 1% change in interest rates. For example, the price of a debt security with a three-year duration would be expected to drop by approximately 3% in response to a 1% increase in interest rates. As the value of a debt security changes over time, so will its duration.

TBJL 20+ Year Treasury Bond 9 Buffer ETF – July Series

TFJL 20+ Year Treasury Bond Floor ETF – July Series

SOLUTION #2: EQUITY DEFENSE

Many bonds are primarily held as a hedge against equities. With rates at record low levels, however, traditional bonds' ability to diversify has been diminished. In order to maintain diversification, investors must take on more duration risk at a time when rate risk is high. Innovator Bond Floor and Buffer ETFs enable investors to participate in the upside potential of long-dated U.S. Treasuries as an equity hedge, since historically there has been a strong negative correlation to equities in downturns, with a built-in buffer or floor against losses should rates rise.

The funds do not provide investment income and may not be suitable alternative to fixed income investments.

EPRF Innovator S&P Investment Grade Preferred ETF

SOLUTION #3: INCOME ALTERNATIVES

As bond yields remain suppressed, investors must take on interest rate or credit risk. We believe that if rates rise, credit quality will matter. With credit spreads compressed, investors in lower credit quality instruments are not being compensated for credit risk. EPRF is the only ETF that owns 100% investment grade preferred stock allowing investors to maintain a competitive yield without sacrificing credit quality.

	Credit Quality	Yield[4]	QDI[5]	Ordinary Income[6]	After-Tax Yield
EPRF	100% Investment Grade	4.90%	62%	38%	3.60%
Corporate Bonds	100% Investment Grade	2.70%	0%	100%	1.69%
High Yield Bonds	100% Junk	4.90%	0%	100%	3.09%

Corporate bonds are represented by the Markit iBoxx USD Liquid Investment Grade Index. High yield bonds are represented by S&P 500® High Yield Corporate Bond Index. *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 standardized performance and a prospectus, click* innovatoretfs.com/EPRF.

PROBLEM

How do I invest in the future of technology?

INVEST IN THE FUTURE OF TECHNOLOGY

After a decade-plus of strong mega-cap tech stock performance, we believe now is a prudent time to diversify tech portfolios with companies investing in the next-generation of disruptive technologies such as artificial intelligence. As the footprint of technology evolves, it is radically changing our economy at a pace never before seen.

SOLUTION

LOUP Innovator Loup Frontier Tech ETF

SOLUTION #1: CHOOSE A FUND WITH DEEP INDUSTRY EXPERIENCE

As investors look for next-generation tech exposure, we believe industry expertise is a must. Loup Ventures is a frontier technology-focused venture capital firm founded in 2017. Led by tech icon Gene Munster, Loup invests directly in companies across various frontier tech themes and has covered the technology space for over 20 years. The Loup team invested in FAANG early on, and believes investors who bought these shares must evolve their investing strategy because the future performance of these mature tech stocks will be challenged.

The Innovator Loup Frontier Tech ETF seeks to provide exposure to companies influencing the future of technology. The ETF invests in companies fundamentally changing retail, transportation, communications, work & play and human capabilities. The LOUP ETF has very low overlap to popular tech indexes and tech ETFs.

1.8%
OVERLAP TO QQQ

0.9%
OVERLAP TO ARKK

The purpose of some of the information in this material is to provide Investors with a means to evaluate investment 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, view the fund comparison in Appendix A.

Conclusion

No one knows what 2021 has in store for us. We believe the comprehensive Innovator lineup of ETFs can help you more easily navigate the future on behalf of your clients, no matter what the future holds.

1 Current price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings. Forward P/E uses forecasted earnings for the P/E calculation.
2 Median is the middle number within a sorted list of numbers.
3 Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until it matures. Core bonds represented by the Bloomberg Barclays US Aggregate Bond Index.
4 Yield to maturity is the return earned on a bond held to maturity.
5 Qualified dividend income (QDI) is a type of dividend subject to capital gains tax rates that are lower than the income tax rates applied to ordinary dividends.
6 Ordinary income is any type of income earned by an organization or an individual that is taxable at ordinary rates.

APPENDIX A	Innovator Loup Frontier Tech ETF (LOUP)	ARK Innovation ETF (ARKK)	Invesco QQQ Trust (QQQ)
Inception Date	7/25/2018	10/31/2014	3/10/1999
Objective	The Innovator Loup Frontier Tech ETF seeks to provide exposure to the investment results of the Loup Frontier Tech Index, which tracks the performance of companies that influence the future of technology.	ARKK is an actively managed ETF that seeks long-term growth of capital by investing under normal circumstances primarily (at least 65% of its assets) in domestic and foreign equity securities of companies that are relevant to the Fund's investment theme of disruptive innovation.	Invesco QQQ is an exchange-traded fund based on the Nasdaq100 Index®. The Fund will, under most circumstances, consist of all of stocks in the Index. The Index includes 100 of the largest domestic and international nonfinancial companies listed on the Nasdaq Stock Market based on market capitalization. The Fund and the Index are rebalanced quarterly and reconstituted annually.
Expense Ratio	0.70%	0.75%	0.20%
Index	Loup Frontier Tech Index	Actively Managed	Nasdaq-100 Index
Principal Risks	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 principal risks of investing in the ARKK include: Equity Securities Risk. The value of the equity securities the Fund holds may fall due to general market and economic conditions. Health Care Sector Risk. The health care sector may be adversely affected by government regulations and government health care programs. Industrials Sector Risk. Companies in the industrials sector may be adversely affected by changes in government regulation, world events, economic conditions, environmental damages, product liability claims and exchange rates. Information Technology Sector Risk. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Cryptocurrency Risk. Cryptocurrency (notably, bitcoin), often referred to as "virtual currency" or "digital currency," operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. The Fund may have exposure to bitcoin, a cryptocurrency, indirectly through an investment in the Bitcoin Investment Trust ("GBTC"), a privately offered, open-end investment vehicle. Additional risks of investing in ARKK include foreign securities, market, management and nondiversification risks. Detailed information regarding the specific risks of ARKK can be found in the ETF's prospectus.	There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The Fund's return may not match the return of the Underlying Index. The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Fund. Investments focused in a particular sector, such as technology, are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.
AUM	$42mln	$18.2bln	$152.7bln

STANDARDIZED PERFORMANCE

		NAV				MARKET PRICE			
	Ticker	YTD	1 Year	3 Year	Inception	YTD	1 Year	3 Year	Inception
S&P Inv. Grade Preferred ETF	EPRF	7.41%	7.41%	6.55%	5.09%	7.41%	7.41%	6.68%	5.06%

Data as of 12/31/2020. The Fund incepted on 5/23/2016. Expense ratio: 0.47%. Market price returns are based the fund's closing price.

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 in addition, the stacker funds may be exposed to the downside risks of the Invesco QQQ Trust (QQQ) and the iShares Russell 2000 ETF (IWM).

The Stacker Funds are designed to provide point-to-point exposure to the price return of the corresponding ETFs via a basket of Flex Options, and the non-Stacker 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.

Funds with buffers: 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 9, 15 or 30%. 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.

LOUP: The fund concentrates its investments in the securities of a particular industry, market, sector, or geographic area and 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.

EPRF: The fund invests in preferred securities which may be subject to many of the risks associated with debt securities, including interest rate risk. The fund invests in equity securities which may be subject to volatile price fluctuations. Because the fund is non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund, changes in the market value of a single investment could cause greater fluctuations in share price.

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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