

## MARKET PERSPECTIVES

# Buffer ETFs™ Stand Out During Recent Rate Hikes

### KEY TAKEAWAYS

- » Innovator Buffer ETFs have outperformed other assets during the Fed's latest rate hike cycle.
- » Fixed income volatility has been elevated.
- » BALT provided positive upside return, with 40% of the volatility of corporate bonds, and a max drawdown of only -2.1%.
- » Buffer ETFs offer upside potential, to a cap, with a built-in buffer.

### BUFFER ETFS MAY ADDRESS THREE MAIN RISKS

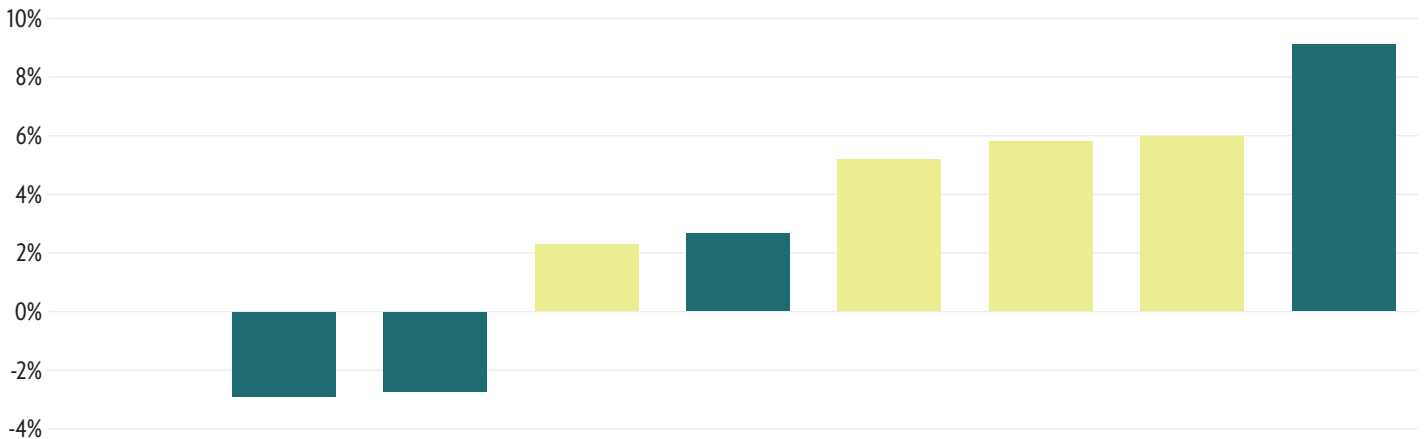
Recent global economic instability has revealed a number of risks facing investment portfolios:

- » **Volatility** – equity markets experienced drawdowns exceeding -20% during the Fed's rate hike cycle.<sup>1</sup>
- » **Inflation** – prices of goods and services are up substantially. Annual core inflation remains well above the Fed's 2% target.<sup>2</sup>
- » **Bond price risk** – rising interest rates generally means falling bond prices and higher bond/equity correlation, breaking the historical link between bonds and portfolio risk mitigation.

We believe Buffer ETFs™ offer a strong value proposition in the prevailing market environment. Investing in the market with built-in buffers may be a prudent approach to both accessing equity market growth potential, while managing downside risk at the same time.

### THE POWER OF U.S. EQUITY BUFFER ETFS: Annualized Return 2/28/22-3/31/24

■ INNOVATOR ETFS



2/8/22 - 3/31/24	Bloomberg U.S. Agg	Corporate Bonds	Ultra Buffer Blend	High Yield Bonds	Buffer Blend	Power Buffer Blend	BALT	S&P 500
<b>ANNUALIZED RETURN</b>	-2.8%	-2.7%	2.2%	2.5%	5.3%	5.9%	6.0%	9.0%
<b>VOLATILITY</b>	7.5%	10.0%	6.6%	7.4%	14.7%	10.9%	3.2%	19.0%
<b>RETURN/RISK RATIO</b>	-	-	0.32	0.34	0.36	0.54	1.87	0.47
<b>MAX DRAWDOWN</b>	-14.5%	-19.5%	-7.6%	-12.3%	-15.6%	-10.8%	-2.0%	-22.1%

Corporate Bonds are represented by the Markit iBoxx USD Liquid Investment Grade Index. High Yield Bonds are represented by the Markit iBoxx USD Liquid High Yield Index. Buffer Blend represents an equally-weighted portfolio of all the monthly U.S. Equity Buffer ETFs™. Power Buffer Blend represents an equally-weighted portfolio of all the monthly U.S. Equity Power Buffer ETFs™. Ultra Buffer Blend represents an equally-weighted portfolio of all the monthly U.S. Equity Ultra Buffer ETFs™. S&P 500 Index is a broad measure of US large capitalization stocks.

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. The most recent month-end performance can be found at [innovatoretfs.com](http://innovatoretfs.com).

**STANDARDIZED PERFORMANCE** as of 3/31/24

Buffer		BJAN	BFEB	BMAR	BAPR	BMAY	BJUN	BJUL	BAUG	BSEP	BOCT	BNOV	BDEC
NAV	1 Year	24.06%	23.11%	19.94%	19.31%	17.72%	17.31%	23.36%	23.15%	22.23%	19.93%	15.53%	20.24%
	5 Year	10.47%	-	-	9.91%	-	-	9.71%	-	-	10.89%	-	-
	Inception	12.09%	12.01%	12.16%	9.90%	8.76%	8.50%	8.55%	9.88%	11.09%	9.60%	8.42%	10.45%
Market Price	1 Year	23.83%	22.81%	20.22%	19.31%	17.76%	17.50%	23.45%	23.15%	22.31%	19.70%	15.44%	20.01%
	5 Year	10.41%	-	-	9.92%	-	-	9.68%	-	-	10.91%	-	-
	Inception	12.07%	11.98%	12.22%	9.91%	8.75%	8.51%	8.54%	9.88%	11.09%	9.60%	8.42%	10.44%
<b>Fund Inception Date</b>		1/2/2019	2/3/2020	3/2/2020	4/1/2019	5/1/2020	6/3/2019	8/29/2018	8/1/2019	9/3/2019	10/1/2018	11/1/2019	12/2/2019
Power Buffer		PJAN	PFEB	PMAR	PAPR	PMAY	PJUN	PJUL	PAUG	PSEP	POCT	PNOV	PDEC
NAV	1 Year	17.39%	16.61%	14.30%	14.15%	12.82%	12.18%	19.88%	19.78%	18.85%	18.36%	11.64%	16.52%
	5 Year	7.77%	-	-	6.76%	-	-	8.60%	-	-	9.45%	-	-
	Inception	8.83%	8.28%	8.84%	6.76%	6.23%	6.62%	7.73%	8.00%	9.02%	8.49%	7.82%	7.83%
Market Price	1 Year	17.77%	16.87%	14.42%	14.25%	12.67%	12.17%	20.04%	19.93%	18.97%	18.53%	11.79%	16.37%
	5 Year	7.73%	-	-	6.78%	-	-	8.54%	-	-	9.41%	-	-
	Inception	8.84%	8.29%	8.87%	6.77%	6.22%	6.61%	7.72%	7.99%	8.99%	8.48%	7.78%	7.82%
<b>Fund Inception Date</b>		1/2/2019	2/3/2020	3/2/2020	4/1/2019	4/30/2020	6/3/2019	8/8/2018	8/1/2019	9/3/2019	10/1/2018	11/1/2019	12/2/2019
Ultra Buffer		UJAN	UFEB	UMAR	UAPR	UMAY	UJUN	UJUL	UAUG	USEP	UOCT	UNOV	UDEC
NAV	1 Year	16.09%	16.14%	13.86%	12.79%	12.82%	12.32%	17.80%	20.66%	19.81%	17.63%	12.80%	17.44%
	5 Year	6.31%	-	-	2.88%	-	-	6.23%	-	-	7.28%	-	-
	Inception	7.17%	5.61%	5.67%	2.88%	4.33%	5.10%	5.43%	6.04%	6.73%	6.35%	5.75%	5.60%
Market Price	1 Year	16.11%	16.03%	13.72%	12.91%	12.91%	12.48%	17.86%	20.72%	19.81%	17.78%	12.90%	17.23%
	5 Year	6.27%	-	-	2.90%	-	-	6.23%	-	-	7.29%	-	-
	Inception	7.19%	5.62%	5.73%	2.89%	4.33%	5.11%	5.44%	6.04%	6.74%	6.36%	5.76%	5.59%
<b>Fund Inception Date</b>		1/2/2019	2/3/2020	3/2/2020	4/1/2019	4/30/2020	6/3/2019	8/8/2018	8/1/2019	9/3/2019	10/1/2018	11/1/2019	12/2/2019
	<b>BALT</b>												
NAV	1 Year	7.40%											
	Inception	4.80%											
Market Price	1 Year	7.46%											
	Inception	4.84%											
<b>Fund Inception Date</b>		7/1/2021											

**ABOUT INNOVATOR BUFFER ETFs**

Innovator Buffer ETFs™ are designed to deliver the upside potential of the equity markets, with a built-in buffer (of 9%, 15%, 20% or 30%), over an outcome period (one year, or three months). Innovator is Leading the Defined Outcome ETF Revolution™, with the world's first and largest lineup of Defined Outcome ETFs. The ETF wrapper enables outcome-based strategies to be implemented in a cost-efficient, transparent, liquid and tax efficient manner.

<sup>1</sup>Source: Bloomberg, index data from 2/28/22 - 12/31/23.<sup>2</sup>Source: Bloomberg, as of 3/31/24.

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. 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.

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. The underlying Defined Outcome ETFs are not backed by the faith and credit of an issuing institution, so they are not exposed to credit risk.

**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. These Funds are designed to provide point-to-point exposure to the price return of the Index via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the Index during the interim period. 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.innovatoretf.com](http://www.innovatoretf.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 Index losses 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 predetermined 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 following marks: Accelerated ETFs®, Accelerated Plus ETF®, Accelerated Return ETFs®, Barrier ETF™, Buffer ETF™, Defined Outcome Bond ETF®, Defined Outcome ETFs®, Defined Protection ETF™, Define Your Future™, Enhanced ETF™, Floor ETF®, Innovator ETFs®, Leading The Defined Outcome ETF Revolution™, Managed Buffer ETFs®, Managed Outcome ETFs®, Step-Up™, Step-Up ETFs®, Target Protection ETF™ and all related names, logos, product and service names, designs, and slogans are the trademarks of Innovator Capital Management, LLC, its affiliates or licensors. Use of these terms is strictly prohibited without proper written authorization.

**The Funds' 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 [innovatoretf.com](http://innovatoretf.com). Read it carefully before investing.**

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