

# BOUT

INNOVATOR IBD® BREAKOUT OPPORTUNITIES ETF

**INNOVATOR**  
exchange-traded funds

The Innovator IBD® Breakout Opportunities ETF (BOUT) is the first ETF to focus on capturing break out stocks. The ETF seeks to track, before fees and expenses, the IBD® Breakout Stocks Index, which selects stocks poised to “break out,” or experience a period of sustained price growth beyond the stock’s “resistance level” based on IBD® founder William J. O’Neil’s ground-breaking research.

Ticker	BOUT
Launch Date	September 13, 2018
Expense Ratio	0.80%
Index	IBD® Breakout Stocks Index
Exchange	NYSE Arca

## WHY BUY BOUT?

- » Single-ticket exposure to IBD® breakout stocks
- » Only ETF seeking breakout opportunities
- » High Conviction
- » Rebalanced Weekly

## WHERE DOES BOUT FIT IN MY PORTFOLIO?

- » Investable access to IBD® Breakouts
- » Highly selective U.S. growth exposure
- » Alternative or complement to momentum strategies
- » Smart beta ETF solution

## INVESTOR'S BUSINESS DAILY®

### CONTACT US

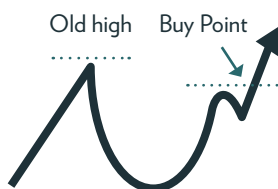
To learn more about IBD®, the IBD® breakout investing and BOUT, visit [innovatoretfs.com/BOUT](http://innovatoretfs.com/BOUT), call 800.208.5212 or email [info@innovatoretfs.com](mailto:info@innovatoretfs.com).

## CAPTURE THE MOVE BEFORE IT HAPPENS

The ETF seeks to invest in stocks near a price resistance level according to IBD® research. When looking at the best performing stocks of each market cycle, IBD’s historical research found the same patterns kept repeating themselves, as shown below. These patterns often featured areas of resistance. When the stock broke above these areas of resistance, the likelihood of a successful trade also increased.

## BREAKOUT CHART PATTERNS

### 1. CUP-WITH-HANDLE



### 2. DOUBLE BOTTOM BASE



### 3. FLAT BASE



The breakout strategy seeks to address one of the common criticisms of momentum investing, namely investing into an already appreciated stock. The patterns illustrate that, unlike momentum stocks, sustained price momentum is not a pre-requisite of becoming a breakout stock.

*For illustrative purposes only. Not representative of any actual investment. There is no guarantee that the fund will achieve its investment objective.*

## IBD® BREAKOUT STOCKS INDEX METHODOLOGY

The methodology underlying the ETF combines the breakout research of IBD® along with fundamentals and technical to provide a comprehensive investment selection and weighting approach. The weekly rebalancing and high turnover of IBD® strategies is well suited for the ETF wrapper.



**INNOVATOR IBD® BREAKOUT OPPORTUNITIES ETF (BOUT)**

**TOP 10 HOLDINGS**      **WEIGHT**

Aptinyx Inc	3.44%
I3 Verticals Inc	3.40%
Pluralsight Inc	3.30%
Berkshire Hathaway Inc	3.20%
Cogent Communications Holdings	3.19%
Columbia Financial Inc	3.18%
Focus Financial Partners Inc	3.17%
Bank of America Corp	3.15%
M&T Bank Corp	3.10%
Tricida Inc	3.07%

**COUNTRY WEIGHTS**      **WEIGHT**

United States	100%
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**SECTOR WEIGHTS**      **WEIGHT**

Financials	41.11%
Information Technology	23.62%
Health Care	19.46%
Consumer Discretionary	7.76%
Industrials	4.86%
Telecommunication Services	3.19%

As of September 13, 2018

**LOW OVERLAP TO EXISTING IBD® AND MOMENTUM ETFs**

BOUT's unique investment strategy creates a portfolio with low-overlap to popular momentum and relative strength ETFs in the market today.

OVERLAP TO IBD® BREAKOUT STOCKS INDEX	INNOVATOR IBD® 50 ETF (FFTY)	ISHARES EDGE MSCI USA MOMENTUM ETF	INVESCO DWA MOMENTUM ETF
AUM	\$530mln	\$10.2bln	\$1.6bln
% Weight	14%	13%	0%
# Names	5 out of 56	11 out of 56	0 out of 56

Source: Innovator, iShares.com, and Invesco.com as of 9/10/2018.

**TRUST THE PROCESS - ADD CONVICTION TO YOUR PORTFOLIO**

BOUT is different from most momentum and alpha seeking strategies because it seeks higher returns through a combination of high concentration (around 25 stocks from a universe of 7,000 securities), a high conviction weighting scheme, and first of its kind methodology. Many momentum and relative strength strategies have significant overlap due to similar concepts and methodologies. Adding BOUT as a complement to your growth, momentum or actively managed sleeves may provide diversification benefits.

**UNIQUE STRATEGY & HIGH CONVICTION**

Innovator IBD® Breakout Opportunities ETF (BOUT)

vs

**MOMENTUM STRATEGIES**

Price momentum and relative strength ETFs

**ACTIVELY MANAGED**

Diversified actively managed funds

<b>Fund Name / Ticker</b>	Innovator IBD® 50 ETF (FFTY)	iShares Edge MSCI USA Momentum Factor ETF (MTUM)	Invesco DWA Momentum ETF (PDP)
<b>Inception Date</b>	4/9/2015	4/16/2013	3/1/2007
<b>Objective</b>	The Innovator IBD® 50 ETF seeks to track the investment results of the IBD® 50 Index. IBD® 50 is Investor's Business Daily's signature investing tool—targeting companies that are generating outstanding profit growth, big sales increases, wide profit margins and a high return on equity.	The iShares Edge MSCI USA Momentum Factor ETF seeks to track the performance of an index that measures the performance of U.S. large- and mid-capitalization stocks exhibiting relatively higher momentum characteristics, before fees and expenses.	The Invesco DWA Momentum ETF (Fund) is based on the Dorsey Wright® Technical Leaders Index (DWA Technical Leaders Index). The Fund will normally invest at least 90% of its total assets in securities that comprise the Index. The Index includes approximately 100 US companies from the NASDAQ US Benchmark Index. The Index is constructed pursuant to Dorsey, Wright & Associates, LLC's proprietary methodology that is designed to identify companies that demonstrate powerful relative strength characteristics.
<b>Expense Ratio</b>	Gross expense ratio: 1.13%. Net expense ratio: 0.80%. The net expense represents a contractual fee waiver in effect through 5/9/19	0.15%	0.63%
<b>Index</b>	IBD® 50 Index	MSCI USA Momentum Index	Dorsey Wright® Technical Leaders Index
<b>Principal Risks</b>	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.	Investing involves risk, including possible loss of principal. Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and than the general securities market. There can be no assurance that performance will be enhanced or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.	"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. Momentum style of investing is subject to the risk that the securities may be more volatile than the market as a whole or returns on securities that have previously exhibited price momentum are less than returns on other styles of investing. Investments focused in a particular sector, such as industrials, are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments. Stocks of medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale."
<b>Net Assets as of 10/24/2018</b>	\$447.9MM	\$9,219.1MM	\$1,414.4MM

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.

Investments focused in a particular sector, such as information technology, are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments. Stocks of medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale. Momentum style of investing is subject to the risk that the securities may be more volatile than the market as a whole or returns on securities that have previously exhibited price momentum are less than returns on other styles of investing.

***The Fund's 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 [innovatoretfs.com](http://innovatoretfs.com) or [invescopowershares.com](http://invescopowershares.com) or [ishares.com](http://ishares.com). Read it carefully before investing.***

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