

# Managed Floor ETFs<sup>®</sup>

## SFLR

Equity Managed Floor ETF<sup>®</sup>

Listing Date

11/9/2022

## QFLR

Nasdaq-100 Managed Floor ETF<sup>®</sup>

Listing Date

1/25/2024

Expense Ratio

0.89%

Exchange

NYSE Arca

Subadvisor

 **Parametric**

» Founded in 1987

» 189 investment professionals<sup>1</sup>

» \$532B AUM<sup>1</sup>

<sup>1</sup>As of 6/30/2024

## What Are Managed Floor ETFs<sup>®</sup>?

The Innovator Managed Floor ETFs<sup>®</sup> are designed to provide core equity exposure with built-in tail risk protection and reduced volatility.



EQUITY EXPOSURE



10% LADDERED FLOOR



UNCAPPED UPSIDE



EVERGREEN SOLUTION

## How Do Managed Floor ETFs<sup>®</sup> Work?

### INNOVATOR EQUITY MANAGED FLOOR

U.S. Large Cap Equities

+

Laddered Floor Protection

Quarterly Laddered  
10% OTM\* SPY Puts

+

Written Call Options

Bi-weekly Laddered Calls  
on S&P 500 Index

⇓

### SFLR

- » 8% to 12% target annual max loss
- » 70-80% upside participation
- » 2/3 of index volatility

### INNOVATOR NASDAQ-100<sup>®</sup> MANAGED FLOOR

Nasdaq-100 Equities

+

Laddered Floor Protection

Quarterly Laddered  
10% OTM\* QQQ Puts

+

Written Call Options

Bi-weekly Laddered Calls  
on Nasdaq-100 Index

⇓

### QFLR

- » 7% to 15% target annual max loss
- » 70-80% upside participation
- » 2/3 of index volatility



# The Case For Managed Floor ETFs®

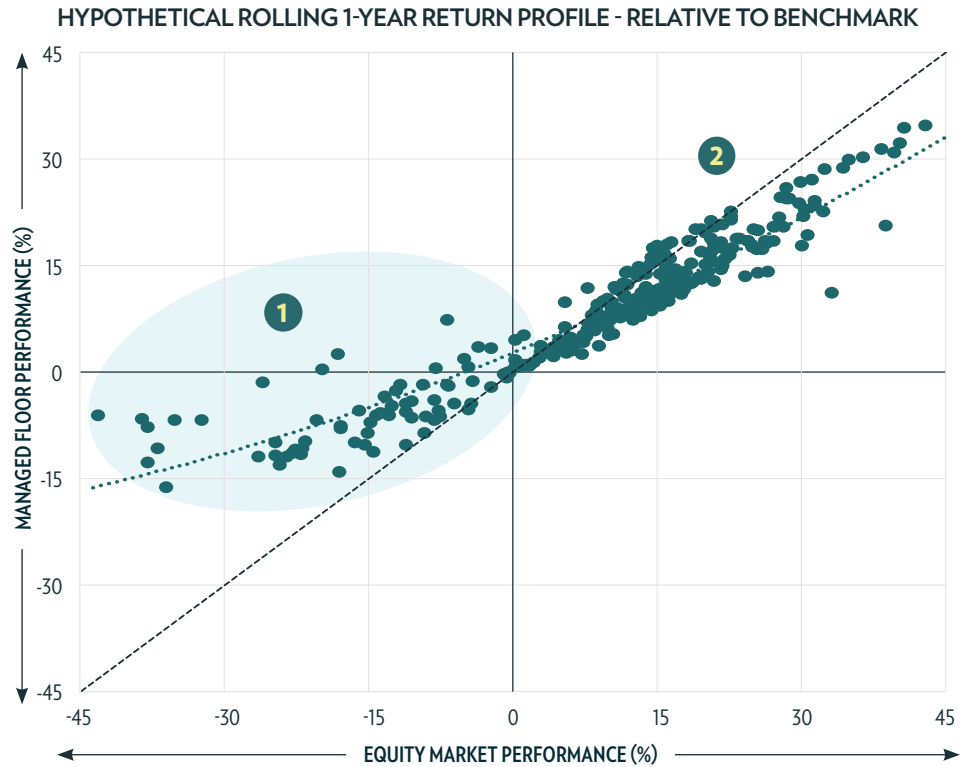
The Managed Floor ETFs® use of laddered put protection has the potential to create a convex return profile, with loss dampening in deeply-negative markets, and upside participation in high-return environments.

## 1 CRISIS ALPHA

This strategy is engineered to limit large drawdowns through laddered put protection. At rebalance, 10% OTM\* put options are purchased to reset protection levels.

## 2 UNCAPPED UPSIDE POTENTIAL

Frequent resets of call options provides uncapped upside potential.



Each marker indicates the returns of the Managed Floor strategy (y-axis) and its benchmark (x-axis) over a specific 1-year period. Markers above the diagonal line represent periods where the Managed Floor strategy outperformed its benchmark.

\*OTM refers to out of the money.

The S&P 500 Index is a broad measure of U.S. large cap stocks. Volatility is a statistical measure of the dispersion of returns for a particular asset or index. The Nasdaq-100 is the Nasdaq-100 Index® which is designed to measure the performance of 100 of the largest Nasdaq-listed non-financial companies. The Fund seeks to provide risk managed investment exposure to the U.S. Large Capitalization Companies represented by the Index through its hedging strategy. There is no guarantee that the Fund will be successful in implementing its strategy to provide a hedge against overall market exposure. The fund seeks to achieve its investment objective by purchasing a series of four, one-year Flex Options packages with "laddered" expiration dates that are 3 months apart. The Fund will also systemically sell short-dated call option contracts, which have an expiration date of approximately two weeks, with an objective of generating incremental returns above and beyond the premium outlay of the protective put option contracts. The Fund does not provide principal protection or non-principal protection, and an investor may experience significant losses on its investment. In a market environment where the Index is generally appreciating, the Fund may underperform the Index and/or similarly situated funds.

Investing involves risks. Loss of principal is possible.

The Sub-Adviser will seek to "ladder" the Fund's option contracts by entering into new purchased put option contracts packages every three-months. After such put option contracts expire, the Fund will enter into new put option contracts with one-year expiration dates that are staggered every three months.

As a result of the Fund's laddered investment approach, on an ongoing basis the Fund will experience investment floors that are expected to be greater or less than the 10% floor provided by an individual Options Portfolio.

Because the Fund ladders its option contracts and the Fund's put option contracts will have different terms (including expiration dates), different tranches of put option

contracts may produce different returns, the effect of which may be to reduce the Fund's sought-after protection. Therefore, at any given moment the Fund may not receive the benefit of the sought-after protection on losses that could be available from Options Portfolio with a single expiration date.

**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.

*The Funds' investment objectives, risks, charges and expenses should be considered carefully before investing. The prospectus and summary prospectus contains this and other important information, and it may be obtained at [innovatoretfs.com](http://innovatoretfs.com). Read it carefully before investing.*

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