

BFRZ

Innovator Equity Managed 100 Buffer ETF

Fund Description

BFRZ is actively managed to provide limited upside potential while seeking to limit losses to 3 percent, as measured at the end of one-year periods. The fund holds US large-cap stocks and exchange-traded options contracts.

FactSet Analyst Report

BFRZ aims to provide 40 to 50% upside exposure to the S&P 500 Index, with one-third of the volatility and a target of 1 to 3% for annual maximum loss. BFRZ differentiates itself by holding physical equities, allowing potential dividends to pass through to shareholders. The underlying portfolio is systematically managed to pursue the same profile but with less than 70% overlap in holdings with the S&P 500 Index. The portfolio also holds quarterly laddered 10% in-the-money puts on the S&P 500 and writes bi-weekly covered calls. The scatter plot forms a smile, indicating that the fund, compared to the S&P, may experience limited upside participation but may also gain by avoiding significant losses in a market drawdown. The fund continuously rolls the option contracts, therefore, it does not have a stated outcome period. This making it crucial to know that the entry/exit point for trading the shares is at the end of each calendar quarter.