

BOUT

Innovator IBD Breakout Opportunities ETF

Fund Description

BOUT tracks an index of US-listed stocks that are likely to breakout, as determined by technical analysis. Holdings are weighted by a mix of fundamental and technical factors. The fund may hold 50% T-bills based on technical market signals.

FactSet Analyst Report

BOUT uses technical analysis to find stocks that are likely to breakout. The funds index relies on an algorithm that establishes a base price (a recent high) for each eligible security. The index then follows the trend for each stock. Selected stocks are ranked by a combination of relative strength and fundamental factors, and then weighted in fixed tiers according to this ranking. In addition, BOUT will move 50% of its portfolio into T-bills based on market signals: a rapid increase in either margin debt or overall stock prices, combined with slowing reversing momentum in the S&P 500. The T-bill position will remain in place until the S&P 500 falls by 50% or show indications of rising momentum. BOUT is rebalanced and reconstituted weekly after the close on Friday. The frequent rebalance schedule means the fund will be highly responsive to the technical factors that drive its strategy, but could also experience high turnover.

