

KSEP

Innovator U.S. Small Cap Power Buffer ETF - September

Fund Description

KSEP aims to participate in the price movement of the iShares Russell 2000 ETF, up to a predetermined cap, while buffering the first 15% of losses over a one-year period. The fund is actively managed, using FLEX options and collateral to provide exposure.

FactSet Analyst Report

KSEP uses FLEX options in an effort to moderate losses on the iShares Russell 2000 ETF over a one-year period starting each September. The fund foregoes some upside return as well as the ETF's dividend component, because the options are written on the price (not total) return version of the shares. In exchange for preventing realization of the first 15% of losses on the shares, investors forego upside some participation. The partial downside hedge and upside cap are reset annually. Investors who buy at any other time than the annual reset day may have a very different protection and buffer zone. The issuer publishes effective interim levels daily on its website. The fund must be held the entire outcome period in an attempt to achieve the intended results. The targeted buffers and caps do not include the funds expense ratio. The fund is actively managed, using FLEX options and collateral exclusively.