

LJUL

Innovator Premium Income 15 Buffer ETF - July

Fund Description

LJUL seeks to provide a consistent income stream and a limited protective buffer against the first 15% of losses stemming from the decline in the S&P 500 Index. The exposure resets each year in July. The actively managed fund holds a package of S&P 500 FLEX options and US Treasurys.

FactSet Analyst Report

LJUL provides no upside potential. Instead, the fund aims for a defined rate of income and a downside protection over a one-year period starting each July. The actively managed portfolio consists of: i) US Treasurys maturing on or about each quarterly distribution date, and ii) out-of-the-money S&P 500 put FLEX options, sold to provide one-to-one downside exposure. The fund invests the net premiums generated from the purchased and sold puts in US Treasurys. At each outcome period, the fund seeks to provide income through a defined distribution rate and a buffer against the first 15% of S&P 500s losses. In exchange for this 15% buffer, investors forgo any upside participation. After the buffer level is breached, investors take on the full downside of the index returns. The fund must be held during the entire return period to pursue the intended results. Investors who buy at any other time than the annual reset day may have a different investment return.