

OCTJ

Innovator Premium Income 30 Barrier ETF - October

Fund Description

OCTJ seeks to provide a consistent income stream and a limited protective barrier against losses over a one-year period. The actively managed fund holds a package of S&P 500 FLEX options and US Treasurys.

FactSet Analyst Report

OCTJ 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 October. The actively managed portfolio consists of: i) US Treasurys maturing on or about each quarterly distribution date, ii) out-of-the-money S&P 500 put FLEX options, sold to provide one-to-one downside exposure, and iii) put spread FLEX options on the S&P 500 Index which serve as the barrier. 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 barrier against 30% of S&P 500s losses. In exchange for this 30% barrier, investors forgo any upside participation. After the barrier 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.