

SFLR

Innovator Equity Managed Floor ETF

Fund Description

SFLR aims to provide capital appreciation by holding a portfolio of large-cap US stocks while hedging the downside risk using a laddered options strategy. The fund utilizes four, one-year FLEX options packages with staggered 3-month expiration dates to target a maximum loss of approximately 10% on a rolling 12-month basis.

FactSet Analyst Report

SFLR seeks to capture the upside of the US large-cap equity market while actively managing option strategies in an attempt to limit losses to 10% each year. The fund invests in an equity portfolio comprised of US large-caps and FLEX options to hedge the downside risk at 10% on an annual basis. The hedge piece rolls quarterly such that there are 4 floors, with one expiring every 3 months. The fund's laddered approach is meant to help offset the timing risks inherent in a single reset and roll date. The sub-adviser also sells short-dated (2-week) call options in tranches, with expirations staggered every 3 to 4 days, in attempt to generate incremental income. SFLR is not a defined outcome fund with an exact level of downside protection or a specified cap on the upside. The fund will experience losses on a one-to-one basis and the 10% floor is only fully in-effect at the expiration of each put options contract.

