



Form ADV  
Part 2A Brochure  
March 27, 2024

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This brochure provides information about the qualifications and business practices of Innovator Capital Management, LLC (the “Adviser” or “Innovator”). If you have any questions about the contents of this brochure, please contact us at (800) 208-5212 or [compliance@innovatoretf.com](mailto:compliance@innovatoretf.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Innovator Capital Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an SEC file number. Innovator’s SEC file number is 801-110111.

Registration with the SEC does not imply a certain level of skill or training.

## **Item 2. Material Changes**

Innovator is submitting this annual amendment which updates Innovator's previous Form ADV Part 2A Brochure (the "Brochure") dated September 7, 2023. In Innovator's view, the following items comprise the material changes that have been made to this Brochure since the previous filing:

- Item 4 has been updated to reflect Innovator's regulatory assets under management as of December 31, 2023, and to bolster the description of the ETF Model Program (as defined herein).
- Item 5 has been amended to bolster the description of the ETF Model Program (as defined herein).
- Item 8 has been revised to enhance the description of the conflicts of interest associated with the ETF Model Program (as defined herein).
- Item 10 has been updated to bolster the description of conflicts of interests and include a related person of the Adviser.
- Item 13 has been revised to clarify that Third-Party Advisers (as defined herein) are responsible for the review of accounts incorporating the Model Portfolios (as defined herein).
- Item 14 has been amended to discuss certain marketing support services obtained by the Adviser and the associated conflicts of interests and their remediation.
- Item 17 has been amended to clarify that Innovator maintains proxy voting authority for the securities held by the Funds' (as defined herein).

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## Item 4. Advisory Business

Innovator is a Delaware limited liability company with its principal office and place of business located at 109 North Hale Street, Wheaton, Illinois 60187. Innovator has been registered with the SEC as an investment adviser since March 2017. H. Bruce Bond and John Southard, Jr. are the principal owners of Innovator.

Innovator serves as investment adviser to each series of the Innovator ETFs Trust (the "Trust," each such series thereunder a "Fund," and collectively the "Funds"). The Trust is organized under Delaware law as a Delaware statutory trust and is registered with the SEC under the Investment Company Act of 1940 (the "1940 Act") as an open-end management investment company. Innovator also provides non-discretionary Model Portfolios to third-party advisers and/or to third-party platform providers.

### Adviser to the Trust

Innovator acts as investment adviser to the Funds pursuant to an investment advisory agreement between the Trust and the Adviser with respect to the Funds ("Advisory Agreement"). Pursuant to the Advisory Agreement, Innovator is responsible for the day-to-day management of the Funds.

The shares of the Trust are registered under the Securities Act of 1933, as amended (the "1933 Act"). Each Fund is an exchange-traded fund ("ETF"), meaning the Funds' shares are listed on a national securities exchange, such as the Cboe BZX Exchange, Inc. or NYSE Arca, Inc., and trade at market prices.

The Funds are subject to the general supervision of the Board of Trustees of the Trust (the "Board").

Pursuant to a supervision and administration services agreement between Innovator and the Trust, with respect to each Fund ("Supervision Agreement"), and subject to the general supervision of the Board, Innovator also provides or causes to be furnished, all management, supervisory and other services reasonably necessary for the operation of each Fund and bears the costs of various third-party services including, sub-advisory, fund administration, certain custody, audit, legal, transfer agency, and printing costs. The Supervision Agreement also requires Innovator to provide investment advisory services to the Funds pursuant to the Advisory Agreement.

Innovator works with sub-advisers to facilitate portfolio management of the Funds. As compensation for the sub-advisory services provided to the Funds, Innovator pays to the applicable sub-adviser, a sub-advisory fee based upon a percentage of that Fund's daily net assets. The level of the sub-advisory fee paid with respect to a Fund is negotiated between the Adviser and the applicable sub-adviser and will vary, depending on, among other things, the types of assets in which the Fund invests. Sub-advisory fees are generally accrued daily and are paid monthly in arrears.

Additional information regarding the services provided by Innovator to the Trust can be found in the Funds' prospectuses and statement of additional information, which are publicly available at [www.innovatoretfs.com](http://www.innovatoretfs.com), on the SEC's EDGAR Database available at [www.sec.gov](http://www.sec.gov), by contacting the Funds' principal underwriter, Foreside Fund Services, LLC at Three Canal Plaza, Suite 100, Portland, ME 04101, or by calling (800) 208-5212.

### ETF Model Program

Innovator constructs and maintains non-discretionary model securities portfolios ("Model Portfolios") to

make asset allocation solutions available generally consisting of the Funds and/or other ETFs (the “ETF Model Program”). In the ETF Model Program, Innovator provides Model Portfolios either directly to third-party registered investment advisers and other financial intermediaries (“Third-Party Advisers”) or indirectly to Third-Party Advisers through arrangements with third-party model portfolio platform sponsors (“Model Platform Sponsors”). Innovator monitors and updates each Model Portfolio on a periodic basis, generally annually, and delivers updates to the Third-Party Advisers and the Model Platform Sponsors, as appropriate. Certain Model Portfolios include allocations to third-party ETFs representing various other asset classes to complete allocations for certain Model Portfolios where the Trust does not offer a Fund providing exposure to the desired asset class.

Under the ETF Model Program, Innovator does not have an advisory relationship with ETF Model Program subscribers and does not invest Third-Party Adviser assets or their underlying client assets. Third-Party Advisers subscribing to the Model Portfolios retain discretionary investment authority, trading authority, brokerage discretion for their client portfolios, and are responsible for determining the suitability of the Model Portfolios for their clients.

If requested, Innovator may review the portfolios of institutional investors to offer analysis and consider how their portfolios could be further optimized via the inclusion of one or more of the Funds. These services are conducted in an effort to further facilitate the marketing and distribution of the Funds. The Adviser does not charge any fees in connection with the portfolio reviews and does not enter into an investment advisory agreement with any institutional investors regarding the portfolio reviews.

Innovator makes the Model Portfolios available to Third-Party Advisers as an informational resource. The Model Portfolios are rebalanced on a pre-determined schedule. Third-Party Advisers, not Innovator, are responsible for selecting the investments for their underlying client accounts, including recommending, selecting, and managing their underlying client’s investment strategy. The Third-Party Adviser remains responsible for making investment decisions for their underlying client, including taking into account the underlying clients’ specific investment objectives, risk tolerances and financial circumstances. In certain arrangements, the Third-Party Adviser is an affiliate of the Model Platform Sponsor.

Under the ETF Model Program, Innovator provides updates to the allocations in each Model Portfolio on an annual basis. To the extent a Third-Party Adviser or their underlying client determines to rebalance based on a Model Portfolio asset allocation change, tax consequences and transaction costs may be incurred. Innovator does not have and will not have, trading authority over any account of a Third-Party Adviser, including their underlying client accounts, based on a Model Portfolio. Any trading affected by a Third-Party Adviser or their underlying client may incur tax consequences, commissions, and other costs, which should be assessed by the Third-Party Adviser prior to pursuing the asset allocation change. Third-Party Advisers may use multiple strategies, including strategies of other investment managers. The implementation of any such investment strategy for an underlying client of a Third-Party Adviser, including one based on a Model Portfolio, will be conducted by the applicable Third-Party Adviser, who is responsible for making their own independent judgment as to how to incorporate any Model Portfolio information for any underlying client of such Third-Party Adviser.

#### Regulatory Assets Under Management

As of December 31, 2023, Innovator had approximately \$17,432,817,984 in regulatory assets under management on a discretionary basis.

## Item 5. Fees and Compensation

Investors should refer to a Fund's prospectus and statement of additional information ("SAI") for a complete understanding of: (i) how Innovator is compensated by the Funds for its advisory services, (ii) the fees and/or expenses investors are obligated to pay, and (iii) how those fees and expenses are calculated and paid. Innovator receives monthly management fees from each Fund. Innovator's fees are either calculated based upon a 365-day year or as otherwise stipulated in the applicable Fund's prospectus and are exclusive of brokerage commissions, transaction fees, and other related cost and expenses which shall be incurred by the Fund either directly or indirectly through the Fund's NAV or expenses. Innovator's fees will vary depending on various factors, including the strategy utilized in the applicable Fund's investment program. The fees and compensation associated with Innovator's investment advisory services are detailed below.

### ETF Unitary Fee

Innovator provides or causes to be furnished, all supervisory, administrative, and other services reasonably necessary for the operation of the Funds. Innovator also bears the costs of various third-party services required by the Funds, including, but not limited to, audit, custodial, fund accounting, legal, transfer agency, and printing costs. The Supervision Agreement also requires Innovator to provide investment advisory services to the Funds pursuant to an Investment Advisory Agreement. Both the Supervision Agreement and the Investment Advisory Agreement are subject to annual review and approval by the Trust's Board.

Each Fund pays a fee ("Management Fee") in exchange for investment advisory, supervisory, and administrative services under a unitary fee structure. The fee is based on the daily net asset value of each Fund and is deducted from each Fund's assets monthly in arrears. The fee is negotiated with, and subject to approval by, the Trust's Board. Each Fund's prospectus sets forth the applicable Management Fee, which generally ranges from 0.47% to 0.89% annually.

Each Innovator ETF also bears other fees and expenses that are not covered by the Management Fee, which may vary and will affect the total expense ratio of the Fund, such as taxes, brokerage fees, acquired fund fees, commissions and other transaction expenses, interest and extraordinary expenses (such as litigation and indemnification expenses). Certain Funds also bear asset-based custodial fees not covered by the Supervision Agreement. Innovator, and not Funds' shareholders, would benefit from any price decreases in third-party services, including decreases resulting from an increase in net assets, to the extent such third-party services are included in the unitary fee structure. The discussion of fees, costs, and expenses provided is a summary only. Please refer to the prospectus and SAI of the relevant Fund for a more detailed discussion of the applicable fees, expenses, and costs relating to an investment in the Funds.

### Model Portfolios

Innovator does not charge an Advisory Fee in exchange for the asset allocation information underlying the Model Portfolios. Consequently, Innovator is not compensated directly by any Model Platform Sponsor, Third-Party Adviser, or their underlying clients in connection with the provision of the Model Portfolios. Model Platform Sponsors may charge their users a fee in exchange for access to the Model Portfolios (the "Platform Provider Fee"). Innovator, in its sole discretion, may determine to pay the Platform Provider Fee which is otherwise passed onto the Platform Provider's clients. Innovator indirectly receives compensation in exchange for the Model Portfolios to the extent the Model Portfolios induce additional investment in the underlying Funds, and thus, increase the management fee received from the Funds. Third-party advisers and Model Platform Sponsors may charge or pass on additional fees and expenses to their underlying clients, including, but not limited to, transaction fees, custodial fees, subscription fees,

and management fees. Such Third-Party Advisers, Model Platform Sponsors, and/or their underlying clients are responsible for considering and paying additional fees and expenses.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

Innovator does not charge performance-based fees or engage in side-by-side management.

## **Item 7. Types of Clients**

Innovator's investment advisory clients consist predominantly of U.S. investment companies registered under the 1940 Act for which Innovator is named as the investment adviser. Innovator also provides Model Portfolio services on a non-discretionary basis to Third-Party Advisers and Model Platform Sponsors to inform the services they provide to their underlying clients.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

Innovator engages sub-advisers to manage the Funds that generally fit into two broad categories: Defined Outcome ETFs and index-based ETFs. The Funds' sub-advisers utilize several methods of analysis across the Funds' varying investment strategies when managing assets.

**The descriptions of risk of loss herein do not represent a complete enumeration or explanation of all risks involved in purchasing shares of any Fund. For a more fulsome explanation of the associated risks of loss, prospective investors should review the applicable Fund's prospectus and summary prospectus available at [www.innovatoretfs.com](http://www.innovatoretfs.com).**

### Investment Strategies of the ETFs

**Defined Outcome ETFs:** Defined Outcome ETFs are actively managed Funds. These Funds use a "defined outcome strategy" in seeking to provide a pre-determined investment outcome based on the price return of an underlying reference asset or index over a pre-determined period of time ("Outcome Period"), subject to an upside return cap over the duration of the Outcome Period. Funds pursuing this strategy seek to protect shareholders that hold shares for the entire Outcome Period from losses by providing a buffer against a specified percentage of underlying reference asset or index losses over the course of the Outcome Period. These Funds invest in a portfolio of purchased and written put and call FLEX Options to achieve their objectives. FLEX Options are customized options contracts that provide investors the ability to customize key contract terms, such as exercise prices, styles, and expiration dates. These Funds reset on the first day of each new Outcome Period by investing in a new set of FLEX Options that provide the buffer and cap for the new Outcome Period.

There is no guarantee that the pre-determined outcomes for an Outcome Period will be realized. The buffer and cap for each subsequent Outcome Period will likely differ from the initial Outcome Period. The Funds only seek to provide investors that hold shares for the entire Outcome Period with the full defined buffer against losses of the reference asset or index (based upon the value of reference asset or index at the time the fund entered into the FLEX Options on the first day of the Outcome Period) during the Outcome Period. If an investor purchases Fund shares after the first day of an Outcome Period, they will likely have a different return potential than an investor who purchased Fund shares at the start of an Outcome Period and the buffer the Fund seeks to provide may not be available. The Adviser works with unaffiliated sub-advisers to facilitate the portfolio management of these Funds.

Index-Based ETFs: Index-based ETFs are passively managed Funds. These Funds use an “indexing” investment approach to attempt to replicate, before fees and expenses, the performance of a specified index. The indices underlying the index-based strategies are provided by unaffiliated index providers. There is no assurance that the index providers will compile the indices accurately, or that the indices will be determined, composed, or calculated accurately. While the index providers give descriptions of what the indices are designed to achieve, the index providers do not provide any warranty or accept any liability in relation to the quality, accuracy, or completeness of data in their indices and do not guarantee that the indices will be in line with their methodology. The Adviser works with unaffiliated sub-advisers to facilitate portfolio management of such Funds.

Index-based ETFs generally invest in all of the securities comprising the applicable index in proportion to the weightings of the securities in the applicable index. Under various circumstances, it may not be possible or practicable to purchase all of the securities comprising the applicable index. In those circumstances, the index-based ETFs may purchase a representative sample of securities in their applicable index. The performance of an index-based ETF may differ from the performance of its underlying index for a variety of reasons, such as operating expenses, portfolio transaction costs, or the use of sampling techniques.

### Specific Investments

The Adviser may invest in a wide range of investments in implementing the above strategies. These investments may include, but are not limited to, FLEX Options, equity-linked notes (“ELNs”), equity securities, fixed income securities, cash and cash equivalents, money market securities and money market funds, equity-based swaps, and option derivatives. FLEX Options are customizable exchange-traded option contracts guaranteed for settlement by the Options Clearing Corporation.

### Investment Strategies in Model Portfolio Services

The Model Portfolio strategies can generally be classified into two separate objectives: (1) Capital Appreciation and (2) Income. Although Innovator intends to provide Model Portfolios representing the objectives outlined above, the strategies of the Model Portfolios may change over time. Innovator may offer additional Model Portfolios that are similar to current strategies, and Innovator may cease to provide any Model Portfolio at any time.

Innovator, as a general practice, does not use mutual funds nor does it select securities that are considered illiquid for inclusion in the Model Portfolios. Each Model Portfolio will be periodically assessed by Innovator for investment strategy drift. In connection with such assessments, Innovator, from time to time, expects to communicate modified asset allocations in order for the applicable Model Portfolio to continue to reflect the desired investment strategy.

### ETF and Model Portfolio Risks

Item 4 - Advisory Business describes the discretionary advisory services Innovator provides to the Funds and the non-discretionary Model Portfolios it provides to Third-Party Advisers and Model Portfolio Sponsors. Innovator currently manages Funds that fit generally into 2 broad categories: Defined Outcome ETFs, and Index-based ETFs. All investments, including investments in the Innovator ETFs, involve risks, including risk of principal loss. An investment in the Funds is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Funds’ investment objectives will be achieved. ETF shares are listed on a national securities exchange. ETFs may trade for less than their net asset value, and performance can deviate from



the associated reference asset or index due to, among other factors, fees, expenses, portfolio management, regulatory rules, and market volatility. Each Fund pays fees and expenses including investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees and expenses, as set forth in each Fund's prospectus. The Funds have exposures to various asset categories, including, among others, equities, fixed income, currencies, and international markets. The underlying securities of ETFs will therefore have different risks, and the risks of owning an ETF will generally reflect the risks of owning the underlying securities the Fund is designed to track, although lack of liquidity in a Fund may result in share price volatility. As a shareholder of an ETF, each share owned would bear its pro rata portion of the ETF's expenses, including advisory fees, in addition to the fees and other expenses that the ETF portfolio bears directly in connection with its own operations. The risks for each Fund advised by Innovator are described in detail in the relevant prospectus and Statement of Additional Information is available at [www.innovatoretf.com](http://www.innovatoretf.com).

### Conflicts of Interest

Investments made based on an Innovator Model Portfolio will also be subject to many of the risks inherent in the underlying ETFs securities that comprise the Model Portfolio. A Model Portfolio's allocations may include a substantial portion of Innovator advised Funds, in certain cases up to 100%. Innovator indirectly benefits from investments made based on the Model Portfolios through fees paid by its advised Funds for advisory, administrative, and other services. When selecting holdings for inclusion in a Model Portfolio, Innovator generally expects to select an Innovator advised Fund without considering or canvassing the entire universe of ETFs sponsored by unaffiliated persons ("Third-Party ETFs"). Because Innovator will only be compensated for the compilation of Model Portfolios if the assets are invested in Innovator advised Funds, Innovator will be incentivized to include Innovator advised Funds in the Model Portfolios, even if Third-Party Funds are more appropriate for inclusion the Model Portfolios.

Innovator intends to communicate Model Portfolio changes to the Third-Party Advisers and Model Platform Sponsors on a periodic basis. The Adviser endeavors to communicate asset allocation changes to the Model Portfolios with Third-Party Advisers and Model Platform Sponsors subscribing to such information on a rotational basis. However, Innovator, the Third-Party Advisers, the Model Platform Sponsors, and/or their employees may receive such allocations prior to the other recipients facilitating the ability to act, in their sole discretion, prior to latter recipients. This inherent conflict of interest may impact the secondary market trading price for the securities featuring allocation adjustments within the Model Portfolios.

To facilitate equitable accessibility to both rebalancing and newly acquired holdings data, Innovator shall dispatch revised holdings and proportional weightings to the pertinent Model Platform Sponsors, employing email or alternative designated means, subsequent to the cessation of the market on the preceding business day antecedent to the scheduled official rebalancing event. By way of illustration, in the event of a portfolio rebalancing scheduled for January 1st, Innovator shall effectuate email correspondence following the conclusion of trading activities within the United States equity market on December 31st.

## **Item 9. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor or potential investor's evaluation of Innovator or the integrity of Innovator's management. Innovator has no such facts to disclose.

## **Item 10. Other Financial Industry Activities and Affiliations**

### Investment Companies

Innovator serves as investment adviser to the Funds, each of which is a series of the Trust. The Innovator ETFs Trust is an open-end management investment company registered under the 1940 Act.

### Distributor

Foreside Fund Services, LLC ("Foreside") serves as the distributor for the Funds. Foreside is registered with the SEC as a broker-dealer. Certain employees of the Adviser, including certain management persons of the Adviser, are registered representatives of Foreside for purposes of supporting the marketing and distribution efforts of the Funds. Foreside is not an affiliate of Innovator.

### Other Related Persons

John Southard is co-founder and Director of T2 Capital Management, LLC ("T2"). T2 is the sponsor of certain pooled investment vehicles which are exempt from registration as an investment company pursuant to Section 3(c)(5) under the 1940 Act. Certain conflicts of interest may arise in connection with Mr. Southard's involvement with T2 and as a control person of Innovator. From time to time, Mr. Southard's involvement in T2 may require time and effort which might otherwise be expended in his role as a control person of Innovator. Innovator does not believe that this arrangement would impact Innovator's ability to act in the best interest of its advisory clients.

### Sub-Advisers

As discussed in Items 4 and 8, among others, Innovator has entered into agreements with other investment advisers, subject to the approval of the Trust's Board, to act as sub-advisers to the Funds. Innovator does not recommend or select investment advisers for advisory clients beyond the selections of the sub-advisers to the Funds.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Innovator has adopted a code of ethics (the "Code of Ethics") that establishes the standard of business conduct that all of its employees must follow. The Code of Ethics also addresses personal trading and investments by its employees who are access persons. Employees are required to acknowledge that they have received the Code of Ethics and each subsequent amendment, that they comprehend the Code of Ethics, and that they have complied (as applicable), and will continue to comply with the Code of Ethics.

The Code of Ethics sets forth specific policies and procedures for its employees to follow regarding material, non-public information ("inside information") and other confidential information of clients and Innovator. While Innovator does not expect its employees to be in possession of inside information, the Code of Ethics prohibits improperly disclosing or using such information for an employee's benefit or the benefit of any other person, regardless of whether such other person is a client. The Code of Ethics requires any employee in receipt of inside information to refrain from trading on the information and to discuss the information only with the Chief Compliance Officer to determine an appropriate course of action. Innovator's policies and procedures prohibit the communication of such information to persons who do not have a legitimate need to know such information.

The Code of Ethics also details policies and procedures regarding personal securities transactions by employees. Employees who are access persons are required to provide quarterly securities transaction reports and annual holdings reports, which are reviewed by the Chief Compliance Officer or her designee. The Code of Ethics also requires employees to comply with applicable federal securities laws. A copy of Innovator's Code of Ethics is available to clients and prospective clients upon request. Additionally, the Code of Ethics of each sub-adviser to the Funds may be obtained directly from the applicable sub-adviser.

#### Participation or Interest in Client Transactions

In constructing the Model Portfolios, Innovator generally includes its advised Funds. Each Fund pays investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees and expenses, as set forth in the Fund prospectus. Therefore, Innovator and/or its affiliates will earn fees from investors who invest in Innovator advised Funds through the use of the Model Portfolios. Conflicts of interest with respect to this arrangement are described in the "Conflicts of Interest" section under Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss.

Innovator invests in the Innovator ETFs for the purposes of tracking the performance of certain Model Portfolios, or otherwise, so such Model Portfolios may be recognized by third party analytics firms and/or to be eligible for inclusion on certain Platforms. Therefore, in connection with updating and rebalancing applicable Model Portfolios, the Adviser will likely be buying or selling the same securities for its own account at or around the same time it makes such Model Portfolios and updates available to the Model Platform Sponsors and Third-Party Advisers.

## **Item 12. Brokerage Practices**

#### Adviser to the Funds

While the Adviser is authorized to select broker-dealers for purposes of executing portfolio trades for the Funds, Innovator generally delegates the selection of broker-dealers for purposes of executing Fund portfolio trades to the sub-adviser for each Fund pursuant to a Sub-Advisory Agreement. The Sub-Advisory Agreement permits the sub-advisers to consider several factors in selecting broker-dealers when executing portfolio trades. In selecting the brokers-dealers for any transaction in portfolio securities, each sub-adviser's policy is to make such selection based on factors deemed relevant, including but not limited to, the breadth of the market in the security, the price of the security, the reasonableness of the commission or mark-up or mark-down, if any, execution capability, settlement capability, back office efficiency and the financial condition of the broker-dealer, both for the specific transaction and on a continuing basis. However, the sub-advisers do not have authority to negotiate commissions among various brokers on a trade-by-trade basis. The overall reasonableness of brokerage commissions paid is evaluated by the sub-adviser based upon its knowledge of available information as to the general level of commissions paid by other institutional investors for comparable services. Brokers may also be selected because of their ability to handle special or difficult executions, such as may be involved in large block trades, portfolio transactions in connection with creation and redemption orders, less liquid securities, broad distributions, or other circumstances.

#### Model Portfolio Arrangements

Innovator is not responsible for trading and will not execute any brokerage trades on behalf of any Third-Party Adviser, Model Platform Sponsors, or their underlying clients in connection with the provision of the Model Portfolios.

## **Item 13. Review of Accounts**

### Adviser to the Funds

Innovator serves as investment adviser to each of the Funds and provides an investment program for each Fund, subject to review and approval by the Board. Day-to-day portfolio management of the Funds' investment portfolios is performed by the applicable sub-adviser (as described in Item 16), subject to oversight by the Adviser and Board. The Adviser and sub-advisers have each developed compliance policies and procedures applicable to their respective activities associated with each Fund. Each Fund is monitored by the Adviser or sub-adviser in seeking to ensure that all investments are made in accordance with applicable registration, declarations, and/or other applicable securities laws. The Adviser reviews the activities of each sub-adviser on a continual basis and more thoroughly on a quarterly basis. The Adviser tests applicable policies and procedures that relate to the services provided on behalf of the Funds, as required by applicable law, the results of which are reported to the Trust's Board. The Adviser provides oversight of the services provided to the Funds by U.S. Bank, N.A. and U.S. Bancorp Fund Services, LLC as custodian, transfer agent, securities lending agent, administrator, and accounting agent on behalf of the Trust.

The Adviser provides regular quarterly reports regarding the Funds to the Board and meets with the Board on a quarterly basis. The Adviser will meet with the Board and provide reports more frequently than quarterly if the Adviser or the Trust's Board believes it is appropriate to do so. In addition, the Funds' daily and quarterly performance is posted on the Funds' website. The Funds' website also publishes quarterly factsheets, semi-annual reports, and audited annual reports for each Fund.

### Model Portfolio Arrangements

Innovator provides periodic reports regarding the performance of the Model Portfolios to the Third-Party Advisers and/or Model Platform Sponsors who have entered agreements with Innovator to receive the Model Portfolios information directly from Innovator. These reports should not be considered a representation of the performance of any Innovator advised Fund. Additionally, Innovator does not maintain trading authority or investment discretion over any Third-Party Adviser's account or the accounts of their underlying clients pursuing the Model Portfolio allocations. As a result, Innovator has no responsibility for the review of such accounts.

## **Item 14. Client Referrals and Other Compensation**

The Adviser does not receive any economic benefit from non-clients in connection with giving advice to clients. Innovator may pay Model Platform Sponsors to make certain Innovator Model Portfolios available to Third-Party Advisers on their platforms. Innovator may also make payments out of its own internal resources to financial intermediaries in exchange for marketing support and promotional services in connection with the marketing of the Funds. Such marketing support and promotional services, include, but are not limited to, inclusion on lists, rankings, or specified services by financial intermediaries intended to educate potential investors regarding the terms and potential benefits of the Funds. The aforementioned marketing support and promotional services are typically based on a flat fee which may be paid through periodic installments. Such payments create an incentive to market certain the Funds. The marketing support and promotional services create a conflict of interest for such financial intermediaries that are mitigated by disclosures, where applicable. Investors in the Funds do not pay or reimburse Innovator in connection with the marketing support and promotional services, and consequently, this arrangement does cause Fund investors to pay higher fees or expenses.

## **Item 15. Custody**

Innovator does not take custody of client funds or securities and does not serve as custodian for any clients. Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) provides that an investment adviser would be deemed to have custody of client funds and securities if the adviser has been granted authority by clients to withdraw advisory fees directly from client accounts. The Adviser does not currently accept authority to deduct its investment advisory fee from a client’s account and accordingly, is not deemed to have custody of client funds and securities under the Custody Rule.

## **Item 16. Investment Discretion**

Innovator serves as investment adviser to the Funds and has delegated investment discretion with respect to the Funds to the applicable sub-adviser, subject to oversight by the Adviser.

Other than with respect to the oversight of the Innovator advised Funds noted above, Innovator does not have investment discretion over the assets of Third-Party Advisers and their underlying clients pursuing the Model Portfolio strategies.

While Innovator is responsible for establishing the allocations in each Model Portfolio, Innovator does not have any investment discretion with respect to the implementation of any Model Portfolio for any Third-Party Adviser or their underlying clients.

## **Item 17. Voting Client Securities**

As required by Rule 206(4)-6 under the Advisers Act, Innovator has adopted proxy voting policies and procedures. Under these policies, the Adviser assumes responsibility for voting proxies under the terms of certain investment advisory agreements related to the Funds. Innovator does not retain the authority to vote proxies in connection with the portfolio holdings of a Third-Party Adviser pursuing a Model Portfolio strategy.

Innovator has retained Egan-Jones Proxy Services (“Egan-Jones”) to provide in-depth proxy vote recommendations and research for the Funds. Broadridge Investor Communication Solutions, Inc. has been retained to provide services through the Broadridge ProxyEdge platform. The services received through the Broadridge ProxyEdge platform include the receipt of proxy ballots, access to the voting recommendations of Egan-Jones, vote execution based upon the recommendations of Egan-Jones, reports reflecting the proxy voting activities of the Funds’ portfolios, and maintenance of the proxy voting records. Information on how the Funds voted proxies relating to portfolio securities is available: (1) without charge, upon request, by calling (800) 208-5212, and (2) on the SEC’s website at [www.sec.gov](http://www.sec.gov). A copy of Innovator’s proxy voting policy also is available upon request.

## **Item 18. Financial Information**

The Adviser is not aware of any financial condition that is reasonably likely to impair its ability to meet its commitments to clients and the Adviser has not been the subject of a bankruptcy proceeding.