

PREFERRED-PLUS

Preferred-Plus (IPPPX) is a professionally managed mutual fund that seeks to deliver income.

PORTFOLIO MANAGER:
Innovative Portfolios, LLC

TOTAL NET ASSETS:
(as of September 30, 2020)
I Share — \$10,595,175.07

SHARE CLASS LAUNCH DATE:
12/24/2018

SHARE CLASS:
I Share (IPPPX)

US CATEGORY GROUP:
Taxable Bond

MORNINGSTAR CATEGORY:
US Fund Preferred Stock

DISTRIBUTION FREQUENCY:
Quarterly

NUMBER OF HOLDINGS:
(as of September 30, 2020)
85

NAV PER SHARE:
(as of September 30, 2020)
I Share \$11.09

CUSIP:
I Share — 19423L300

EXPENSE RATIOS:¹
I Share
Gross Expense Ratio 2.82%
Net Expense Ratio 1.62%

MINIMUM INVESTMENT:
I Share—\$5,000 initial
I Share — \$100 subsequent

PREFERRED-PLUS OVERVIEW

The Preferred-Plus Fund's primary investment objective is to provide current income. The Fund's strategy is twofold:

- Investing in U.S. Preferred stocks
- Utilizing an option overlay strategy to enhance overall distribution to shareholders

INNOVATIVE PORTFOLIOS

Innovative Portfolios is a strategic resource to help RIAs offer clients innovative investment strategies with the goal of better-balanced, risk-adjusted portfolios. Our option-based investment strategies strive to take somewhat traditional investment portfolios and increase diversification with the potential to enhance incremental income. Innovative Portfolios is backed by the knowledge and resources of our experienced money management team.

Please review the Preferred-Plus prospectus to learn more about the Fund's investment characteristics, risks, and fees.



for the intelligent advisor

317.689.6450
innovativeportfolios.com

WHY WOULD I OWN PREFERRED-PLUS?

INCOME:

Preferred-Plus invests in U.S. Preferred Stocks that pay dividends. The additional option overlay offers the potential for enhancing both total return and cash flow to shareholders.

DIVERSIFIED INCOME STREAM:

The Preferred-Plus strategy includes income-producing Preferred Stocks and potential for premium income from an option overlay. The portfolio is diversified among and within Retail Preferred Shares (\$25 Par), Institutional Preferred Shares (\$1,000 Par), and Preferred Closed End Funds.²

COMPLEMENTS OVERALL PORTFOLIO:

Preferred-Plus offers the potential to add diversification to the income allocation of the portfolio construct, while the option income may potentially provide an alternative income stream to traditional income vehicles like bonds.

HIGHER YIELD:

Preferreds historically offer higher yield than traditional income investments represented by the S&P U.S. Aggregate Bond Index, but come with a higher volatility if measured by the standard deviation. Preferred securities may also offer a tax advantage over bonds—able to be taxed as qualified income while bonds are taxed as ordinary income.

PROFESSIONAL MANAGEMENT:

Professional Money Management with access to institutional-level Preferred Shares with experienced option traders managing the overlay.

PREFERRED-PLUS METHODOLOGY



FUNDAMENTAL ANALYSIS & RESEARCH:

Research identifies securities that offer sufficient liquidity and quality among different types of Preferred securities. Research focus includes credit quality, yield, and structure in order to evaluate relative risk and reward characteristics.



PORTFOLIO CONSTRUCTION:

Focuses on diversification among a variety of Preferred Shares; Retail (\$25 Par), Institutional (\$1,000 Par), and Preferred Closed End Funds. Construction includes an option overlay strategy seeking a credit spread on the S&P 500 Index. The option overlay:

- sells/writes an out-of-the-money short put option bi-monthly
- also purchases an out-of-the-money long put option below the short option position
- uses the long put option to potentially hedge any significant downside risk posed by the short put



GENERATION OF INCOME:

The Fund seeks to provide income from the Preferred Shares and, in addition, to generate consistent income from the option premium of an option overlay strategy.

PERFORMANCE RETURNS

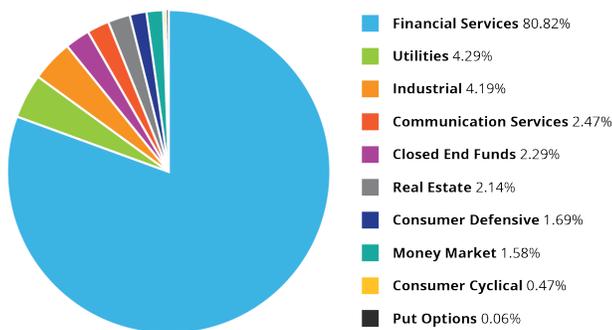
Data as of September 30, 2020

	Qtr. End	YTD	1-Year Annualized	Since Inception Annualized (12/24/18)
Preferred-Plus I Shares	9.87%	0.46%	3.95%	11.15%
Benchmark (S&P U.S. Preferred Stock Index)	7.11%	0.97%	3.25%	11.29%

Performance quoted represents past performance, which is no guarantee of future results. Performance returns stated net of fees. **Performance from a relatively short period are less reliable than long-term results.** Current performance may be lower or higher than the performance quoted. The investment return and the principal value of an investment will fluctuate and shares, when redeemed, may be worth more or less than their original cost. Returns are historical and include change in share price and reinvestment of all distributions. Month-end performance information can be obtained by visiting our website at innovativeportfolios.com. There is no guarantee that any investment objective will be achieved. An investor cannot invest directly in an index, and index performance does not reflect the deduction of fees, expenses or taxes. During the periods presented above, the Advisor waived fees and/or reimbursed expenses. Without this arrangement, performance would be lower.

SECTOR ALLOCATION*

Data as of September 30, 2020



Portfolio weights are subject to change without notice. Due to rounding, values might not add up to 100%. Sector allocation excludes written (short) put options.

The Fund invests in options. All investment strategies carry risk, and transactions in options may carry a high degree of risk. Investors should carefully consider the Fund's risks and investment objectives as an investment in the Fund may not be appropriate for all investors and is not designed to be a complete investment program. Before making an investment decision, investors should consider the suitability of this investment with respect to such investor's net worth, income, age, and risk tolerance. Investment should be avoided where an investor has a short-term investing time horizon and/or cannot bear the loss of some or all of their investment. Before investing in the Fund, investor should read the discussion of risks of investing in the prospectus. You can obtain a prospectus by calling 1-800-869-1679 or visiting innovativeportfolios.com.

The Fund is new with limited operating history. There can be no assurance that the Fund's investment objective will be achieved.

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE • NOT INSURED BY ANY GOVERNMENT AGENCY

S&P U.S. Preferred Stock Index is an index designed to measure the performance of the U.S. preferred stock market and consists of U.S. preferred stocks with a market cap greater than \$100 million and a maturity of at least one year or longer.

(1) Expense ratios as disclosed in the February 1, 2020 Prospectus. Innovative Portfolios, LLC, the Fund's investment advisor (the Advisor), has contractually agreed to waive its fee and/or reimburse expenses, at least through January 31, 2021, so that the Fund's total annual operating expenses (excluding acquired fund fees and expenses, taxes and extraordinary expenses) do not exceed 1.50% for the Class I shares.

(2) Par: Equal to the nominal or face value of a security. Par value has no relation to market value, the market price for a bond or preferred stock may be above or below par. Par value has importance with bonds and preferred stock, as preferred dividends and bond interest are normally stated as a percentage of the par value of a preferred stock or bond issue.

This fact sheet is provided for informational purposes and is not an offer to purchase or sell Fund shares. For distribution when preceded or accompanied by a currently effective prospectus.

Preferred-Plus open-end funds are distributed by Arbor Court Capital, LLC (Member FINRA) and are only available to U.S. residents.

TOP HOLDINGS*

Data as of September 30, 2020

Company	Sector	% Net Assets
Bank of America Corp 5.875% Perpetual Pfd 03/25/28	Financial Services	3.05%
Regions Financial Corp 5.75% Perpetual Pfd	Financial Services	2.52%
Truist Financial Corp 4.8% Perpetual Pfd 09/1/24	Financial Services	2.37%
Athene Holding LTD 6.35% Perpetual Pfd 06/30/29	Financial Services	2.28%
Metlife Inc 4.75% Pfd 03/15/25	Financial Services	2.21%
State Street Corp 5.35% Perpetual Pfd 03/15/26	Financial Services	2.18%
Equitable Holdings Inc 5.25% Pfd 12/15/24	Financial Services	2.17%
Fifth Third Bancorp Ser J 4.58% Pfd	Financial Services	2.08%
General Electric 5% Perpetual Pfd 01/21/21	Industrial	1.96%
Bank of America Corp 5.125% Perpetual Pfd 06/20/24	Financial Services	1.94%

Portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation or solicitation to buy, sell or hold any particular security. Weights may vary over time and holdings are subject to change without notice.

YIELD

Data as of September 30, 2020

12-Month Distribution Yield (2)

Class I 4.74%

SEC Yield — 30 Days (1)

Class I—Subsidized 4.01%

Class I—Unsubsidized 3.12%

(1) The SEC yield is calculated by dividing annualized net investment income per share during a 30-day period by the maximum offering price per share as of the close of that period. SEC yield reflects the rate at which the Fund is earning income on its current portfolio of securities. The SEC 30-Day Yield is computed under an SEC standardized formula and is based on the maximum offer price per share. Subsidized yields reflect fee waivers in effect. Without such waivers, yields would be reduced. Unsubsidized yields do not reflect fee waivers in effect.

(2) 12-Month Distribution Yield is calculated by adding the Fund's trailing 12-month distributions, and dividing the sum by the Fund's most recent month ended NAV. The Fund may pay distributions in excess of its net investment company taxable income, and, to the extent this occurs, the distribution yield quoted will include a return of capital. Shareholders of record will be notified of the estimated return of capital for each distribution and this information is also available on preferred-plus.com.

*Top 10 Equity Holdings and Sector Allocations are updated monthly online at preferred-plus.com.

