



for the intelligent advisor

innovativeportfolios.com

IPPPX

As of September 30, 2021

PREFERRED-PLUS

OVERVIEW

The Fund's primary investment objective is to seek current income. The Fund invests in preferred equities paired with an S&P500 index-based option overlay for additional income.

POTENTIAL BENEFITS

- Seeks potential income from higher yielding preferred stocks and capital securities, some of which may be U.S. tax-advantaged.
- Additional income can be anticipated through option premiums.
- Active management to potentially exploit inefficiencies such as credit quality, interest rate structure, and call risk.
- Diversification from traditional equity and fixed income strategies

DETAILS

NAV PER SHARE:
\$12.05

TOTAL NET ASSETS:
\$13.8 million

NUMBER OF HOLDINGS:
95

DISTRIBUTION FREQUENCY:
Quarterly

INCEPTION DATE:
12/24/2018

MORNINGSTAR CATEGORY:
US Fund Preferred Stock

MINIMUM INVESTMENT:
\$5,000 initial
\$100 subsequent

EXPENSE RATIOS:¹

Gross
Expense Ratio — 2.52%

Net
Expense Ratio — 1.59%

PORTFOLIO MANAGERS

JR HUMPHREYS, CFA, CAIA
Senior Portfolio Manager
Industry since 1990

DAVE GILREATH, CFP®
Managing Director
Chief Investment Officer
Industry since 1981

PERFORMANCE (as of September 30, 2021)

	Qtr. End	YTD	1-Year Annualized	2-Year Annualized	Since Inception Annualized (12/24/18)
Preferred-Plus	0.90%	6.04%	15.11%	9.38%	12.57%
Benchmark (S&P U.S. Preferred Stock Index)	0.03%	5.41%	12.73%	7.88%	11.81%

Performance quoted represents past performance, which is no guarantee of future results. Performance returns stated net of fees. Current performance may be lower or higher than the performance quoted. For up-to-date performance data, please call 800-869-1679. 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. 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.

PREFERRED-PLUS

PORTFOLIO CONSTRUCTION

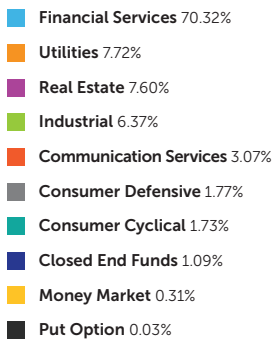
1ST | Macro Outlook: Develop opinions about the economy, markets, and interest rates.

2ND | Screen: Filter retail, institutional, and preferred closed-end funds for yield, duration, liquidity, credit quality, and structure.

3RD | Decision: Select from the screened holdings based on pricing and attractive opportunities which can include undervalued sectors and/or companies.

4TH | Options: Create a put credit spread position on an S&P500 ETF or Index which involves the selling of the put option with the purchase of a put option with the same expiration.

SECTOR ALLOCATION²



INNOVATIVE
portfolios®

317.689.6450

innovativeportfolios.com

TOP HOLDINGS³

Company	Sector	% Net Assets
Bank of America Corp 5.875% Perpetual Pfd 03/15/28	Financial Services	2.47%
AerCap Holdings 5.875% Pfd 10/10/79	Industrial	2.26%
Regions Financial Corp 5.75% Perpetual Pfd 06/15/25	Financial Services	2.01%
Athene Holding Ltd 6.35% Perpetual Pfd 06/30/29	Financial Services	1.93%
Truist Financial Corp 4.8% Perpetual Pfd 09/1/24	Financial Services	1.90%
Capital One Financial Corp 4.80% Perpetual Pfd 06/01/25	Financial Services	1.89%
Ally Financial Inc 4.70% Perpetual Pfd 05/15/26	Financial Services	1.88%
Edison International 5.375% Perpetual Pfd 03/15/26	Utilities	1.87%
Equitable Holdings Inc 5.25% Pfd 12/15/24	Financial Services	1.76%
General Motors Fin Co 5.75% Pfd 09/30/27	Financial Services	1.58%

COUPON STRUCTURE⁴

Coupon Structure (%)	Fund Market Value
Fixed-Rate Securities	30.8
Fixed-to-Fixed Rate Securities	20.2
Fixed-to-Floating Rate Securities	42.3
Floating Rate Securities	5.3
Other Securities	1.4

ISSUER CREDIT BREAKDOWN⁵

Credit Quality (%)	Fund Market Value
AAA	0.0
AA	0.0
A	22.1
BBB	66.3
BB	3.9
B	0.0
NR	6.7
Cash & Equivalents	1.0

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 800-869-1679 or visiting preferred-plus.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, 2021 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, 2022, so that the Fund's total annual operating expenses (excluding acquired fund fees and expenses, taxes and extraordinary expenses) do not exceed 1.50%.
- (2) 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. Updated monthly online.
- (3) 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. Updated monthly online.
- (4) Fixed-to-Fixed Rate Securities step from one fixed rate to another based on a schedule. Fixed-to-Floating Rate Securities pay a fixed coupon for a set number of years, then convert

to a variable coupon for the remaining life of the security that is based on a benchmark rate, such as the 3-month LIBOR. Other includes income-producing securities that do not have a specified coupon structure. Examples would include, but are not limited to, shares of income-oriented EFTs or other closed-end funds.

- (5) Issuer credit ratings represent the issuer's overall credit creditworthiness and financial strength and not the issue rating which refers to specific financial obligations and considers ranking in the capital structure. Ratings shown are the highest rating given by one of the following national rating agencies: S&P, Moody's, Fitch, DBRS or AM Best. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated NR are not rated by these national rating agencies. Excludes credit spread put options.

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.