Cboe

September 23, 2019

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File No. SR-CboeBZX-2019-067, Amendment No. 2

Dear Mr. Fields:

On September 19, 2019, Cboe BZX Exchange, Inc. (the "Exchange") filed with the Securities and Exchange Commission (the "Commission") Amendment No. 2 to SR-CboeBZX-2019-067 in order to clarify certain points and add additional details. Amendment No. 2 to SR-CboeBZX-2019-067 amends and replaces in its entirety Amendment No. 1 to SR-CboeBZX-2019-067 as submitted on August 29, 2019, which amended and replaced in its entirety the proposal as originally submitted on July 18, 2019. The Exchange submitted proposal SR-CboeBZX-2019-067 in order to list and trade shares of the Innovator-100 Buffer, Power Buffer, and Ultra Buffer ETF Series and the Innovator Russell 2000 Buffer, Power Buffer, and Ultra Buffer ETF Series under the Innovator ETFs Trust under Rule 14.11(i). In order to provide notice for public review of this Amendment No. 2, in addition to posting on the Exchange's public website, the Exchange is filing this comment letter with the Commission.

Sincerely,

Kyle Murray
Assistant General Counsel

Required fields are shown with yellow backgrounds and asterisks.

OMB APPROVAL
OMB Number: 3235-0045 Estimated average burden hours per response............38

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2019 - * 067
Amendment No. (req. for Amendments *) 2

Filing by Cboe BZX Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☐ Amendment * ☑ Withdrawal ☐

Section 19(b)(2) * ☑ Section 19(b)(3)(A) * ☐ Section 19(b)(3)(B) * ☐

Rule
19b-4(f)(1) 19b-4(f)(4)
19b-4(f)(2) 19b-4(f)(5)
19b-4(f)(3) 19b-4(f)(6)

Pilot ☐ Extension of Time Period for Commission Action * ☐ Date Expires *

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Kyle Last Name * Murray
Title * Assistant General Counsel
E-mail * [redacted]
Telephone * [redacted] Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 09/19/2019
By Kyle Murray
(Name *)

(Title *)
Assistant General Counsel

[redacted]

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to list and trade shares of the Innovator-100 Buffer ETF Series and Innovator Russell 2000 Buffer ETF Series; Innovator-100 Power Buffer ETF Series and Innovator Russell 2000 Power Buffer ETF Series; and Innovator-100 Ultra Buffer ETF Series and Innovator Russell 2000 Ultra Buffer ETF Series under the Innovator ETFs Trust under Rule 14.11(i) ("Managed Fund Shares").

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The Exchange's President (or designee) pursuant to delegated authority approved the proposed rule change on July 17, 2019.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel and Corporate Secretary, (312) 786-7467, or Kyle Murray, Assistant General Counsel, (913) 815-7121.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) Purpose

This Amendment No. 2 to SR-CboeBZX-2019-067 amends and replaces in its entirety the proposal as amended by Amendment No. 1, which was submitted on August

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

29, 2019, which amended and replaced in its entirety the proposal as originally submitted on July 18, 2019. The Exchange submits this Amendment No. 2 in order to clarify certain points and add additional details about the Fund.

The Exchange proposes to list and trade shares ("Shares") of up to twelve monthly Innovator-100 Buffer ETF Series and Innovator Russell 2000 Buffer ETF Series (collectively, the "Buffer Funds"); Innovator-100 Power Buffer ETF Series and Innovator Russell 2000 Power Buffer ETF Series (collectively, the "Power Buffer Funds"); and Innovator-100 Ultra Buffer ETF Series and Innovator Russell 2000 Ultra Buffer ETF Series (collectively, the "Ultra Buffer Funds") (each a "Fund" and, collectively, the "Funds") under Rule 14.11(i), which governs the listing and trading of Managed Fund Shares on the Exchange.[3] Each Fund will be an actively managed ETF. The Exchange submits this proposal in order to allow each Fund to hold listed derivatives in a manner that does not comply with Rule 14.11(i)(4)(C)(iv)(b), as further described below. The Exchange notes that: (i) each of the Buffer Funds, the Power Buffer Funds, and the Ultra Buffer Funds in this proposal have an investment objective and strategy substantially identical to those in the Original Approval; and (ii) the statements or representations herein regarding the description of the portfolio, reference assets, and indexes, limitations on portfolio holdings or reference assets, and the applicability of Exchange rules are substantively identical to those statements and representations included in the Original

3 The Commission originally approved BZX Rule 14.11(i) in Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018) and subsequently approved generic listing standards for Managed Fund Shares under Rule 14.11(i) in Securities Exchange Act Release No. 78396 (July 22, 2016), 81 FR 49698 (July 28, 2016) (SR-BATS-2015-100).

Approval, except that the funds in the Original Approval were based on the S&P 500 Index while the Funds herein are based on the Reference Indexes, as defined below.[4]

The Shares will be offered by Innovator ETFs Trust (formerly Academy Funds Trust) (the "Trust"), which was established as a Delaware statutory trust on October 17, 2007. The Trust is registered with the Commission as an investment company and has filed, for each Fund, a registration statement on Form N-1A ("Registration Statement") with the Commission on behalf of the Funds.[5] Each Fund intends to qualify each year as a regulated investment company (a "RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended.[6] Innovator Capital Management, LLC (the "Adviser") is the investment adviser to the Funds and Milliman Financial Risk Management LLC (the "Sub-Adviser") is the sub-adviser. Rule 14.11(i)(7) provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect a "fire wall" between the investment adviser and the broker-dealer with respect to access to information concerning the

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4 See Securities Exchange Act Release No. 83679 (July 20, 2018), 83 FR 35505 (July 26, 2018) (SR-BatsBZX-2017-72) (the "Original Approval").

5 See Post-Effective Amendment Nos. 191, 192, 193, and 194 to Registration Statement on Form N-1A for the Trust, which were filed with the Commission on February 6, 2019 (File Nos. 333-146827 and 811-22135). The descriptions of the Funds and the Shares contained herein are based on information in the Registration Statement. There are no permissible holdings for the Funds that are not described in this proposal. The Commission has issued an order granting certain exemptive relief to the Trust under the Investment Company Act of 1940 (15 U.S.C. 80a-1) ("1940 Act") (the "Exemptive Order"). See Investment Company Act Release No. 32854 (October 6, 2017) (File No. 812-14781).

6 26 U.S.C. 851.

composition and/or changes to such investment company portfolio.[7] In addition, Rule 14.11(i)(7) further requires that personnel who make decisions on the investment company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable investment company portfolio. Neither the Adviser nor the Sub-Adviser is a registered broker-dealer, and neither the Adviser nor the Sub-Adviser are affiliated with broker-dealers. In addition, Adviser and Sub-Adviser personnel who make decisions regarding a Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund's portfolio. In the event that (a) the Adviser or Sub-Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding

[7] An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the "Advisers Act"). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

The investment objective of the Funds is to provide investors with returns that match those of the Nasdaq-100 Index (the "Nasdaq-100 Price Index") or the Russell 2000 Price Index (the "Russell 2000 Price Index") (collectively, the "Reference Indexes") over a period of approximately one year, while providing a level of protection from losses in the applicable Reference Index.

The Funds are each actively managed funds that employ a "defined outcome strategy" that:

(1) for the Buffer Funds, seeks to provide investment returns that match the gains of the applicable Reference Index, up to a maximized annual return (the "Buffer Cap Level"), while guarding against a decline in the Reference Index of the first 9% (the "Buffer Strategy");

(2) for the Power Buffer Funds, seeks to provide investment returns that match the gains of the applicable Reference Index, up to a maximized annual return (the "Power Buffer Cap Level"), while guarding against a decline in the Reference Index of the first 15% (the "Power Buffer Strategy"); and

(3) for the Ultra Buffer Funds, seeks to provide investment returns that match the gains of the applicable Reference Index, up to a maximized annual return (the "Ultra Buffer Cap Level"), while guarding against a decline in the Reference Index of between 5% and 35% (the "Ultra Buffer Strategy").

Pursuant to the Strategies, each Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs[8] that track the Reference Index. Defined outcome strategies are designed to participate in market gains and losses within pre-determined ranges over a specified period (i.e. point to point). These outcomes are predicated on the assumption that an investment vehicle employing the strategy is held for the designated outcome periods. As such, the Exchange is proposing to list a total of up to 72 Funds: up to twelve monthly series for each Reference Index for each of the Buffer Strategy, Power Buffer Strategy and Ultra Buffer Strategy.

The Exchange submits this proposal in order to allow each Fund to hold listed derivatives, in particular FLexible EXchange Options ("FLEX Options") on the applicable Reference Index, in a manner that does not comply with Rule 14.11(i)(4)(C)(iv)(b).[9] Otherwise, the Funds will comply with all other listing requirements of the Generic Listing Standards[10] for Managed Fund Shares on an initial

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8 For purposes of this filing, the term "ETF" means Portfolio Depository Receipts as defined in Rule 14.11(b), Index Fund Shares as defined under Rule 14.11(c), Managed Fund Shares as defined under Rule 14.11(i), or their respective equivalents on other U.S. national securities exchanges.

9 Rule 14.11(i)(4)(C)(iv)(b) provides that "the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures)." The Funds do not meet the generic listing standards because they fail to meet the requirement of Rule 14.11(i)(4)(C)(iv)(b) that prevents the aggregate gross notional value of listed derivatives based on any single underlying reference asset from exceeding 30% of the weight of the portfolio (including gross notional exposures) and the requirement that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures).

10 For purposes of this proposal, the term "Generic Listing Standards" shall mean the generic listing rules for Managed Fund Shares under Rule 14.11(i)(4)(C).

and continued listing basis under Rule 14.11(i).

Buffer Funds

Under Normal Market Conditions,[11] each Buffer Fund (which include the Innovator-100 Buffer ETF Series and Innovator Russell 2000 Buffer ETF Series) will attempt to achieve its investment objective by employing a "defined outcome strategy" that will seek to provide investment returns during the outcome period that match the gains of the applicable Reference Index (either the Nasdaq-100 Price Index or the Russell 2000 Price Index, respectively), up to the applicable Buffer Cap Level, while shielding investors from Reference Index losses of up to 9%. Pursuant to the Buffer Strategy, each Buffer Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index.

The portfolio of FLEX Options will be linked to an underlying asset, the Reference Index, that when held for the specified period, seeks to produce returns that produce the following outcomes during the outcome period:

- If the Reference Index appreciates over the outcome period: the Buffer Fund will provide shareholders with a total return that matches that of the applicable Reference Index, up to and including the applicable Buffer Cap Level;
- If the Reference Index depreciates over the outcome period by 9% or less: the Buffer Fund will provide a total return of zero;

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11 As defined in Rule 14.11(i)(3)(E), the term "Normal Market Conditions" includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues causing dissemination of inaccurate market information or system failures; or force majeure type events such as natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

- If the Reference Index decreases over the outcome period by more than 9%: the Buffer Fund will provide a total return loss that is 9% less than the percentage loss on the Reference Index with a maximum loss of approximately 90%.

The Buffer Funds will produce these outcomes by layering purchased and written FLEX Options. The customizable nature of FLEX Options allows for the creation of a strategy that sets desired defined outcome parameters. The FLEX Options comprising a Buffer Fund's portfolio have terms that, when layered upon each other, are designed to buffer against losses or match the gains of the applicable Reference Index. However, another effect of the layering of FLEX Options with these terms is a cap on the level of possible gains.

Any FLEX Options that are written by a Buffer Fund that create an obligation to sell or buy an asset will be offset with a position in FLEX Options purchased by the Buffer Fund to create the right to buy or sell the same asset such that the Buffer Fund will always be in a net long position. That is, any obligations of a Buffer Fund created by its writing of FLEX Options will be covered by offsetting positions in other purchased FLEX Options. As the FLEX Options mature at the end of each outcome period, they are replaced. The Buffer Funds do not offer any protection against declines in the Reference Index exceeding 9% on an annualized basis. Shareholders will bear all Reference Index losses exceeding 9% on a one-to-one basis.

The FLEX Options owned by each of the Buffer Funds will have the same terms (i.e. same strike price and expiration) for all investors of a Buffer Fund within an outcome period. The Buffer Cap Level will be determined with respect to each Buffer Fund on the inception date of the Buffer Fund and at the beginning of each outcome period and is determined based on the price of the FLEX Options acquired by the Buffer Fund at that time.

Power Buffer Funds

Under Normal Market Conditions, each Power Buffer Fund (which include the Innovator-100 Power Buffer ETF Series and Innovator Russell 2000 Power Buffer ETF Series) will attempt to achieve its investment objective by employing a "defined outcome strategy" that will seek to provide investment returns during the outcome period that match the gains of the applicable Reference Index (either the Nasdaq-100 Price Index or the Russell 2000 Price Index, respectively), up to the applicable Power Buffer Cap Level, while shielding investors from Reference Index losses of up to 15%. Pursuant to the Power Buffer Strategy, each Power Buffer Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index.

The portfolio of FLEX Options will be linked to an underlying asset, the Reference Index, that when held for the specified period, seeks to produce returns that produce the following outcomes during the outcome period:

- If the Reference Index appreciates over the outcome period: the Power Buffer Fund will provide shareholders with a total return that matches that of the applicable Reference Index, up to and including the applicable Power Buffer Cap Level;
- If the Reference Index depreciates over the outcome period by 15% or less: the Power Buffer Fund will provide a total return of zero; and
- If the Reference Index decreases over the outcome period by more than 15%: the

Power Buffer Fund will provide a total return loss that is 15% less than the percentage loss on the Reference Index with a maximum loss of approximately 85%.

The Power Buffer Funds will produce these outcomes by layering purchased and written FLEX Options. The customizable nature of FLEX Options allows for the creation of a strategy that sets desired defined outcome parameters. The FLEX Options comprising a Power Buffer Fund's portfolio have terms that, when layered upon each other, are designed to buffer against losses or match the gains of the applicable Reference Index. However, another effect of the layering of FLEX Options with these terms is a cap on the level of possible gains.

Any FLEX Options that are written by a Power Buffer Fund that create an obligation to sell or buy an asset will be offset with a position in FLEX Options purchased by the Power Buffer Fund to create the right to buy or sell the same asset such that the Power Buffer Fund will always be in a net long position. That is, any obligations of a Power Buffer Fund created by its writing of FLEX Options will be covered by offsetting positions in other purchased FLEX Options. As the FLEX Options mature at the end of each outcome period, they are replaced. The Power Buffer Funds do not offer any protection against declines in the Reference Index exceeding 15% on an annualized basis. Shareholders will bear all Reference Index losses exceeding 15% on a one-to-one basis.

The FLEX Options owned by each of the Power Buffer Funds will have the same terms (i.e. same strike price and expiration) for all investors of a Power Buffer Fund within an outcome period. The Power Buffer Cap Level will be determined with respect to each Power Buffer Fund on the inception date of the Power Buffer Fund and at the beginning of each outcome period and is determined based on the price of the FLEX Options acquired by the Power Buffer Fund at that time.

Ultra Buffer Funds

Under Normal Market Conditions, each Ultra Buffer Fund (which include the Innovator-100 Ultra Buffer ETF Series and Innovator Russell 2000 Ultra Buffer ETF Series) will attempt to achieve its investment objective by employing a "defined outcome strategy" that will seek to provide investment returns during the outcome period that match the gains of the applicable Reference Index (either the Nasdaq-100 Price Index or the Russell 2000 Price Index, respectively), up to the applicable Ultra Buffer Cap Level, while shielding investors from Reference Index losses of between 5% and 35%. Pursuant to the Ultra Buffer Strategy, each Ultra Buffer Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index.

The portfolio of FLEX Options will be linked to an underlying asset, the Reference Index, that when held for the specified period, seeks to produce returns that produce the following outcomes during the outcome period:

- If the Reference Index appreciates over the outcome period: the Ultra Buffer Fund will provide a total return that matches the percentage increase of the applicable Reference Index, up to the applicable Ultra Buffer Cap Level;
- If the Reference Index decreases over the outcome period by 5% or less: the Ultra Buffer Fund will provide a total return loss that is equal to the percentage loss on the Reference Index;

- <u>If the Reference Index decreases over the outcome period by 5%-35%</u>: the Ultra Buffer Fund will provide a total return loss of 5%; and
- <u>If the Reference Index depreciates over the outcome period by greater than 35%</u>: the Ultra Buffer Fund will provide a total return loss that is 30% less than the percentage loss on the Reference Index with a maximum loss of approximately 70%.

The Ultra Buffer Funds will produce these outcomes by layering purchased and written FLEX Options. The customizable nature of FLEX Options allows for the creation of a strategy that sets desired defined outcome parameters. The FLEX Options comprising an Ultra Buffer Fund's portfolio have terms that, when layered upon each other, are designed to buffer against losses or match the gains of the applicable Reference Index. However, another effect of the layering of FLEX Options with these terms is a cap on the level of possible gains.

Any FLEX Options that are written by an Ultra Buffer Fund that create an obligation to sell or buy an asset will be offset with a position in FLEX Options purchased by the Ultra Buffer Fund to create the right to buy or sell the same asset such that the Ultra Buffer Fund will always be in a net long position. That is, any obligations of an Ultra Buffer Fund created by its writing of FLEX Options will be covered by offsetting positions in other purchased FLEX Options. As the FLEX Options mature at the end of each outcome period, they are replaced. The Ultra Buffer Funds do not offer any protection against declines in the Reference Index exceeding 35% on an annualized basis. Shareholders will bear all Reference Index losses exceeding 35% on a one-to-one basis.

The FLEX Options owned by each of the Ultra Buffer Funds will have the same terms (i.e. same strike price and expiration) for all investors of an Ultra Buffer Fund within an outcome period. The Ultra Buffer Cap Level will be determined with respect to each Ultra Buffer Fund on the inception date of the Ultra Buffer Fund and at the beginning of each outcome period and is determined based on the price of the FLEX Options acquired by the Ultra Buffer Fund at that time.

Investment Methodology for the Funds

Under Normal Market Conditions, each Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index. Each of the Funds may invest its net assets (in the aggregate) in other investments which the Adviser or Sub-Adviser believes will help each Fund to meet its investment objective ("Other Assets"). Other Assets include only the following: cash or cash equivalents, as defined in Rule 14.11(i)(4)(C)(iii)[12] and standardized options contracts listed on a U.S. securities exchange that reference either the Reference Index or that reference ETFs that track the Reference Index ("Reference ETFs").

Reference Index Options Discussion

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[12] As defined in Rule 14.11(i)(4)(C)(iii), cash equivalents include short-term instruments with maturities of less than three months, including: (i) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities; (ii) certificates of deposit issued against funds deposited in a bank or savings and loan association; (iii) bankers acceptances, which are short-term credit instruments used to finance commercial transactions; (iv) repurchase agreements and reverse repurchase agreements; (v) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest; (vi) commercial paper, which are short-term unsecured promissory notes; and (vii) money market funds.

The Exchange notes that each of the applicable Reference Indexes meet the generic listing standards applicable to indexes underlying series of Index Fund Shares listed on the Exchange under Rule 14.11(c)(3)(A)(i) and (ii), which include diversity, liquidity, and market cap requirements that are designed to ensure that an underlying index is not susceptible to manipulation. Further, the Exchange notes that the market for each of the standardized options contracts based on the Reference Indexes is deep and liquid, representing multiple billions of dollars in notional volume traded on a daily basis, as laid out below.

Nasdaq-100 Price Index - In 2018, more than 7,500 options contracts on the Nasdaq-100 Price Index were traded per day, which is more than $5 billion in notional volume traded on a daily basis.

Russell 2000 Price Index - In 2018, more than 30,000 options contracts on the Russell 2000 Price Index were traded per day, which is more than $4.5 billion in notional volume traded on a daily basis.

While FLEX Options are traded differently than standardized options contracts, the Exchange believes that the significant liquidity in the standardized options contracts for each Reference Index, as described above, bolsters the market for FLEX Options, results in a well-established price discovery process that provides meaningful guideposts for FLEX Option pricing, and acts to mitigate the possibility of manipulation in the FLEX Options market.[13]

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13 The Exchange notes that FLEX Options on the Russell 2000 Price Index are only available on Cboe Exchange, Inc. and FLEX Options on the Nasdaq-100 Price Index are only available on Nasdaq PHLX LLC. Standardized options contracts on the Russell 2000 Price Index are available on Cboe Exchange, Inc., Cboe C2 Exchange, Inc., and Cboe BZX Exchange, Inc. Standardized options contracts on the Nasdaq-100 Price Index are available on Nasdaq GEMX, LLC, Nasdaq PHLX

Every FLEX Option order is exposed to a competitive auction process for price discovery. The process begins with a request for quote ("RFQ") in which the interested party establishes the terms of the FLEX Options contract. The RFQ solicits interested market participants to respond to the RFQ with bids or offers through a competitive process. This solicitation contains all of the contract specifications-underlying, size, type of option, expiration date, strike price, exercise style and settlement basis. During a specified amount of time, responses to the RFQ are received and at the end of that time period, the initiator can decide whether to accept the best bid or offer. The process occurs under the rules of the applicable exchange which means that customer transactions are effected according to the principles of a fair and orderly market following trading procedures and policies developed by a national securities exchange.

The Exchange believes that sufficient protections are in place to protect against market manipulation of the Funds' Shares and FLEX Options on each of the applicable Reference Indexes for several reasons: (i) the diversity, liquidity, and market cap of the securities underlying each Reference Index;[14] (ii) the competitive quoting process for FLEX Options; (iii) the significant liquidity in the market for options on each of the applicable Reference Indexes, as described above, results in a well-established price

LLC, and Nasdaq ISE, LLC. FLEX Options on ETFs are available only on Cboe Exchange, Inc., Nasdaq PHLX LLC, NYSE Arca, Inc., and NYSE American LLC. Standardized options on ETFs are available on numerous additional U.S. options exchanges.

14 Each of the applicable Reference Indexes meet the generic listing standards applicable to indexes underlying series of Index Fund Shares listed on the Exchange, which include diversity, liquidity, and market cap requirements that are designed to ensure that an underlying index is not susceptible to manipulation. See Exchange Rule 14.11(c)(3)(A)(i) and (ii).

discovery process that provides meaningful guideposts for FLEX Option pricing; and (iv) surveillance by the Exchange, other national securities exchanges on which the options contracts on the Reference Indexes are listed, and FINRA designed to detect violations of the federal securities laws and SRO rules. The Exchange has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the Shares less readily susceptible to manipulation. Further, the Exchange believes that because the assets in each Fund's portfolio, which are comprised primarily of FLEX Options on the applicable Reference Index, will be acquired in liquid and highly regulated markets,[15] the Shares are less readily susceptible to manipulation.

As noted above, options on the Reference Indexes are liquid and derive their value from the actively traded components of the applicable Reference Indexes. The contracts are cash-settled with no delivery of stocks or ETFs, and trade in competitive auction markets with price transparency. The Exchange believes the highly regulated options markets and the broad base and scope of each Reference Index make securities that derive their value from that index less susceptible to market manipulation in view of market capitalization and liquidity of the components of each Reference Index, price transparency, and arbitrage opportunities.

Surveillance

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15 All exchange-listed securities that the Funds may hold will trade on a market that is a member of the Intermarket Surveillance Group ("ISG") and the Funds will not hold any non-exchange-listed equities or options, however, not all of the components of the portfolio for the Funds may trade on exchanges that are members of the ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. For a list of the current members of ISG, see www.isgportal.org.

The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares. All statements and representations made in this filing regarding (a) the description of the portfolio, reference assets, and index, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules shall constitute continued listing requirements for listing the Shares on the Exchange. The issuer has represented to the Exchange that it will advise the Exchange of any failure by a Fund or the related Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If a Fund or the related Shares are not in compliance with the applicable listing requirements, then, with respect to such Fund or Shares, the Exchange will commence delisting procedures under Exchange Rule 14.12. FINRA conducts certain cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures with respect to such Fund under Exchange Rule 14.12.

The Exchange or FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares and exchange-traded options contracts with other markets and other entities that are members of the ISG and may obtain trading information regarding trading in the Shares and exchange-traded options contracts from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and exchange-traded options contracts from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

The Exchange believes that the liquidity of the markets for constituent securities of the applicable Reference Indexes, options on the Reference Indexes, and other derivatives related to the Reference Indexes is sufficiently great to deter fraudulent or manipulative acts associated with the Funds' Shares price. The Exchange also believes that such liquidity is sufficient to support the creation and redemption mechanism. Coupled with the extensive surveillance programs of the SROs described above, the Exchange does not believe that trading in the Funds' Shares would present manipulation concerns.

The Exchange represents that, except for the limitations on listed derivatives in BZX Rule 14.11(i)(4)(C)(iv)(b), the Funds' proposed investments will satisfy, on an initial and continued listing basis, all of the generic listing standards under BZX Rule 14.11(i)(4)(C) and all other applicable requirements for Managed Fund Shares under Rule 14.11(i). The Trust is required to comply with Rule 10A-3 under the Act for the initial and continued listing of the Shares of the Funds. A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange. In addition, the Exchange represents that the Shares of the Funds will comply with all other requirements applicable to Managed Fund Shares, which includes the dissemination of key information such as the Disclosed Portfolio,[16] Net Asset Value,[17] and the Intraday Indicative Value,[18] suspension of trading or removal,[19] trading halts,[20] surveillance,[21] minimum price variation for quoting and order entry,[22] and the information circular,[23] as set forth in Exchange rules applicable to Managed Fund Shares. Moreover, all of the options contracts held by the Funds will trade on markets that are a member of ISG or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. Quotation and last sale information for U.S. exchange-listed options contracts cleared by The Options Clearing Corporation will be available via the Options Price Reporting Authority. RFQ information for FLEX Options will be available directly from the applicable options exchange. The intra-day, closing and settlement prices of exchange-traded options will be readily available from the options exchanges, automated quotation systems, published or other public sources, or online information services such as Bloomberg or Reuters. Price information on cash equivalents is available from major broker-dealer firms or market data vendors, as well as from automated quotation systems, published or other public sources, or online information services.

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16 See Rule 14.11(i)(4)(A)(ii) and 14.11(i)(4)(B)(ii).

17 See Rule 14.11(i)(4)(A)(ii).

18 See Rule 14.11(i)(4)(B)(i).

19 See Rule 14.11(i)(4)(B)(iii).

20 See Rule 14.11(i)(4)(B)(iv).

21 See Rule 14.11(i)(2)(C).

22 See Rule 14.11(i)(2)(B).

23 See Rule 14.11(i)(6).

Lastly, the issuer represents that it will provide and maintain a publicly available web tool for each of the Funds on its website that provides existing and prospective shareholders with important information to help inform investment decisions. The information provided includes the start and end dates of the current outcome period, the time remaining in the outcome period, the Fund's current net asset value, the Fund's cap for the outcome period and the maximum investment gain available up to the cap for a shareholder purchasing Shares at the current net asset value. For each of the Funds, the web tool also provides information regarding each Fund's buffer. This information includes the remaining buffer available for a shareholder purchasing Shares at the current net asset value or the amount of losses that a shareholder purchasing Shares at the current net asset value would incur before benefitting from the protection of the buffer. The cover of each Fund's prospectus, as well as the disclosure contained in "Principal Investment Strategies," provides the specific web address for each Fund's web tool.

b. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act[24] in general and Section 6(b)(5) of the Act[25] in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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[24] 15 U.S.C. 78f.

[25] 15 U.S.C. 78f(b)(5).

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest in that the Shares will meet each of the initial and continued listing criteria in BZX Rule 14.11(i) with the exception of Rule 14.11(i)(4)(C)(iv)(b), which requires that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures).[26] Rule 14.11(i)(4)(C)(iv)(b) is intended to ensure that a fund is not subject to manipulation by virtue of significant exposure to a manipulable underlying reference asset by establishing concentration limits among the underlying reference assets for listed derivatives held by a particular fund.

The Exchange believes that sufficient protections are in place to protect against market manipulation of the Funds' Shares and FLEX Options on the Reference Index for several reasons: (i) the diversity, liquidity, and market cap of the securities underlying

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[26] As noted above, the Exchange is submitting this proposal because the Funds would not meet the requirements of Rule 14.11(i)(4)(C)(iv)(b) which prevents the aggregate gross notional value of listed derivatives based on any single underlying reference asset from exceeding 30% of the weight of the portfolio (including gross notional exposures) and the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets from exceeding 65% of the weight of the portfolio (including gross notional exposures).

each Reference Index;[27] (ii) the competitive quoting process for FLEX Options; (iii) the significant liquidity in the market for options on each of the applicable Reference Indexes, as described above, results in a well-established price discovery process that provides meaningful guideposts for FLEX Option pricing; and (iv) surveillance by the Exchange, other national securities exchanges on which the options contracts on the Reference Indexes are listed, and FINRA designed to detect violations of the federal securities laws and SRO rules. The Exchange has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the Shares less readily susceptible to manipulation. Further, the Exchange believes that because the assets in each Fund's portfolio, which are comprised primarily of FLEX Options on the applicable Reference Index, will be acquired in liquid and highly regulated markets, the Shares are less readily susceptible to manipulation.

The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares. All statements and representations made in this filing regarding (a) the description of the portfolio, reference assets, and index, (b) limitations on portfolio holdings or reference

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[27] Each of the applicable Reference Indexes meet the generic listing standards applicable to indexes underlying series of Index Fund Shares listed on the Exchange, which include diversity, liquidity, and market cap requirements that are designed to ensure that an underlying index is not susceptible to manipulation. See Exchange Rule 14.11(c)(3)(A)(i) and (ii).

assets, or (c) the applicability of Exchange rules shall constitute continued listing requirements for listing the Shares on the Exchange. The issuer has represented to the Exchange that it will advise the Exchange of any failure by a Fund or the related Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If a Fund or the related Shares are not in compliance with the applicable listing requirements, then, with respect to such Fund or Shares, the Exchange will commence delisting procedures under Exchange Rule 14.12. FINRA conducts certain cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures with respect to such Fund under Exchange Rule 14.12.

The Exchange or FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares and exchange-traded options contracts with other markets and other entities that are members of the ISG and may obtain trading information regarding trading in the Shares and exchange-traded options contracts from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and exchange-traded options contracts from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees. As noted above, options on the Reference Index are liquid and derive their value from the actively traded

Reference Index components. The contracts are cash-settled with no delivery of stocks or ETFs, and trade in competitive auction markets with price transparency. The Exchange believes the highly regulated options markets and the broad base and scope of each Reference Index make securities that derive their value from that index less susceptible to market manipulation in view of market capitalization and liquidity of the applicable Reference Index components, price transparency, and arbitrage opportunities.

The Exchange believes that the liquidity of the markets for constituent securities of the applicable Reference Indexes, options on the Reference Indexes, and other derivatives related to the Reference Indexes is sufficiently great to deter fraudulent or manipulative acts associated with the Funds' Shares price. The Exchange also believes that such liquidity is sufficient to support the creation and redemption mechanism. Coupled with the extensive surveillance programs of the SROs described above, the Exchange does not believe that trading in the Funds' Shares would present manipulation concerns.

The Exchange represents that, except as described above, the Funds will meet and be subject to all other requirements of the Generic Listing Standards and other applicable continued listing requirements for Managed Fund Shares under Rule 14.11(i), including those requirements regarding the Disclosed Portfolio,[28] Intraday Indicative Value,[29]

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[28] See Rule 14.11(i)(4)(B)(ii).

[29] See Rule 14.11(i)(4)(B)(i).

suspension of trading or removal,[30] trading halts,[31] disclosure,[32] and firewalls.[33] The Trust is required to comply with Rule 10A-3 under the Act for the initial and continued listing of the Shares of each Fund. Moreover, all of the options contracts held by the Funds will trade on markets that are a member of ISG or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an additional type of Managed Fund Shares that will enhance competition among market participants, to the benefit of investors and the marketplace.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated

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30 See Rule 14.11(i)(4)(B)(iii).

31 See Rule 14.11(i)(4)(B)(iv).

32 See Rule 14.11(i)(6).

33 See Rule 14.11(i)(7).

Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibit 2 – 5: Not applicable.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-   ; File No. SR-CboeBZX-2019-067 Amendment No. 2]

[Insert date]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change to list and trade shares of the Innovator-100 Buffer ETF Series and Innovator Russell 2000 Buffer ETF Series; Innovator-100 Power Buffer ETF Series and Innovator Russell 2000 Power Buffer ETF Series; and Innovator-100 Ultra Buffer ETF Series and Innovator Russell 2000 Ultra Buffer ETF Series Under the Innovator ETFs Trust Under Rule 14.11(i), Managed Fund Shares

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on [insert date], Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

This Amendment No. 2 to SR-CboeBZX-2019-067 amends and replaces in its entirety the proposal as amended by Amendment No. 1, which was submitted on August 29, 2019, which amended and replaced in its entirety the proposal as originally submitted on July 18, 2019. The Exchange submits this Amendment No. 2 in order to clarify certain

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

points and add additional details about the Fund.

The Exchange proposes to list and trade shares ("Shares") of up to twelve monthly Innovator-100 Buffer ETF Series and Innovator Russell 2000 Buffer ETF Series (collectively, the "Buffer Funds"); Innovator-100 Power Buffer ETF Series and Innovator Russell 2000 Power Buffer ETF Series (collectively, the "Power Buffer Funds"); and Innovator-100 Ultra Buffer ETF Series and Innovator Russell 2000 Ultra Buffer ETF Series (collectively, the "Ultra Buffer Funds") (each a "Fund" and, collectively, the "Funds") under Rule 14.11(i), which governs the listing and trading of Managed Fund Shares on the Exchange.[3] Each Fund will be an actively managed ETF. The Exchange submits this proposal in order to allow each Fund to hold listed derivatives in a manner that does not comply with Rule 14.11(i)(4)(C)(iv)(b), as further described below. The Exchange notes that: (i) each of the Buffer Funds, the Power Buffer Funds, and the Ultra Buffer Funds in this proposal have an investment objective and strategy substantially identical to those in the Original Approval; and (ii) the statements or representations herein regarding the description of the portfolio, reference assets, and indexes, limitations on portfolio holdings or reference assets, and the applicability of Exchange rules are substantively identical to those statements and representations included in the Original Approval, except that the funds in the Original Approval were based on the S&P 500 Index while the Funds herein are based on the Reference Indexes, as defined below.[4]

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[3] The Commission originally approved BZX Rule 14.11(i) in Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018) and subsequently approved generic listing standards for Managed Fund Shares under Rule 14.11(i) in Securities Exchange Act Release No. 78396 (July 22, 2016), 81 FR 49698 (July 28, 2016) (SR-BATS-2015-100).

[4] See Securities Exchange Act Release No. 83679 (July 20, 2018), 83 FR 35505

The Shares will be offered by Innovator ETFs Trust (formerly Academy Funds Trust) (the "Trust"), which was established as a Delaware statutory trust on October 17, 2007. The Trust is registered with the Commission as an investment company and has filed, for each Fund, a registration statement on Form N-1A ("Registration Statement") with the Commission on behalf of the Funds.[5] Each Fund intends to qualify each year as a regulated investment company (a "RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended.[6] Innovator Capital Management, LLC (the "Adviser") is the investment adviser to the Funds and Milliman Financial Risk Management LLC (the "Sub-Adviser") is the sub-adviser. Rule 14.11(i)(7) provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect a "fire wall" between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment company portfolio.[7] In addition, Rule

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(July 26, 2018) (SR-BatsBZX-2017-72) (the "Original Approval").

5 See Post-Effective Amendment Nos. 191, 192, 193, and 194 to Registration Statement on Form N-1A for the Trust, which were filed with the Commission on February 6, 2019 (File Nos. 333-146827 and 811-22135). The descriptions of the Funds and the Shares contained herein are based on information in the Registration Statement. There are no permissible holdings for the Funds that are not described in this proposal. The Commission has issued an order granting certain exemptive relief to the Trust under the Investment Company Act of 1940 (15 U.S.C. 80a-1) ("1940 Act") (the "Exemptive Order"). See Investment Company Act Release No. 32854 (October 6, 2017) (File No. 812-14781).

6 26 U.S.C. 851.

7 An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the "Advisers Act"). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public

14.11(i)(7) further requires that personnel who make decisions on the investment company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable investment company portfolio. Neither the Adviser nor the Sub-Adviser is a registered broker-dealer, and neither the Adviser nor the Sub-Adviser are affiliated with broker-dealers. In addition, Adviser and Sub-Adviser personnel who make decisions regarding a Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund's portfolio. In the event that (a) the Adviser or Sub-Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

The investment objective of the Funds is to provide investors with returns that match those of the Nasdaq-100 Index (the "Nasdaq-100 Price Index") or the Russell 2000

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information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

Price Index (the “Russell 2000 Price Index”) (collectively, the “Reference Indexes”) over a period of approximately one year, while providing a level of protection from losses in the applicable Reference Index.

The Funds are each actively managed funds that employ a “defined outcome strategy” that:

(1) for the Buffer Funds, seeks to provide investment returns that match the gains of the applicable Reference Index, up to a maximized annual return (the “Buffer Cap Level”), while guarding against a decline in the Reference Index of the first 9% (the “Buffer Strategy”);

(2) for the Power Buffer Funds, seeks to provide investment returns that match the gains of the applicable Reference Index, up to a maximized annual return (the “Power Buffer Cap Level”), while guarding against a decline in the Reference Index of the first 15% (the “Power Buffer Strategy”); and

(3) for the Ultra Buffer Funds, seeks to provide investment returns that match the gains of the applicable Reference Index, up to a maximized annual return (the “Ultra Buffer Cap Level”), while guarding against a decline in the Reference Index of between 5% and 35% (the “Ultra Buffer Strategy”).

Pursuant to the Strategies, each Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs[8] that track the Reference Index. Defined outcome strategies are designed to participate in market gains

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8 For purposes of this filing, the term “ETF” means Portfolio Depository Receipts as defined in Rule 14.11(b), Index Fund Shares as defined under Rule 14.11(c), Managed Fund Shares as defined under Rule 14.11(i), or their respective equivalents on other U.S. national securities exchanges.

and losses within pre-determined ranges over a specified period (i.e. point to point). These outcomes are predicated on the assumption that an investment vehicle employing the strategy is held for the designated outcome periods. As such, the Exchange is proposing to list a total of up to 72 Funds: up to twelve monthly series for each Reference Index for each of the Buffer Strategy, Power Buffer Strategy and Ultra Buffer Strategy.

The Exchange submits this proposal in order to allow each Fund to hold listed derivatives, in particular FLexible EXchange Options ("FLEX Options") on the applicable Reference Index, in a manner that does not comply with Rule 14.11(i)(4)(C)(iv)(b).[9] Otherwise, the Funds will comply with all other listing requirements of the Generic Listing Standards[10] for Managed Fund Shares on an initial and continued listing basis under Rule 14.11(i).

Buffer Funds

Under Normal Market Conditions,[11] each Buffer Fund (which include the

9 Rule 14.11(i)(4)(C)(iv)(b) provides that "the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures)." The Funds do not meet the generic listing standards because they fail to meet the requirement of Rule 14.11(i)(4)(C)(iv)(b) that prevents the aggregate gross notional value of listed derivatives based on any single underlying reference asset from exceeding 30% of the weight of the portfolio (including gross notional exposures) and the requirement that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures).

10 For purposes of this proposal, the term "Generic Listing Standards" shall mean the generic listing rules for Managed Fund Shares under Rule 14.11(i)(4)(C).

11 As defined in Rule 14.11(i)(3)(E), the term "Normal Market Conditions" includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues causing dissemination of

Innovator-100 Buffer ETF Series and Innovator Russell 2000 Buffer ETF Series) will attempt to achieve its investment objective by employing a "defined outcome strategy" that will seek to provide investment returns during the outcome period that match the gains of the applicable Reference Index (either the Nasdaq-100 Price Index or the Russell 2000 Price Index, respectively), up to the applicable Buffer Cap Level, while shielding investors from Reference Index losses of up to 9%. Pursuant to the Buffer Strategy, each Buffer Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index.

The portfolio of FLEX Options will be linked to an underlying asset, the Reference Index, that when held for the specified period, seeks to produce returns that produce the following outcomes during the outcome period:

- If the Reference Index appreciates over the outcome period: the Buffer Fund will provide shareholders with a total return that matches that of the applicable Reference Index, up to and including the applicable Buffer Cap Level;
- If the Reference Index depreciates over the outcome period by 9% or less: the Buffer Fund will provide a total return of zero;
- If the Reference Index decreases over the outcome period by more than 9%: the Buffer Fund will provide a total return loss that is 9% less than the percentage loss on the Reference Index with a maximum loss of approximately 90%.

The Buffer Funds will produce these outcomes by layering purchased and written FLEX Options. The customizable nature of FLEX Options allows for the creation of a

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inaccurate market information or system failures; or force majeure type events such as natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

strategy that sets desired defined outcome parameters. The FLEX Options comprising a Buffer Fund's portfolio have terms that, when layered upon each other, are designed to buffer against losses or match the gains of the applicable Reference Index. However, another effect of the layering of FLEX Options with these terms is a cap on the level of possible gains.

Any FLEX Options that are written by a Buffer Fund that create an obligation to sell or buy an asset will be offset with a position in FLEX Options purchased by the Buffer Fund to create the right to buy or sell the same asset such that the Buffer Fund will always be in a net long position. That is, any obligations of a Buffer Fund created by its writing of FLEX Options will be covered by offsetting positions in other purchased FLEX Options. As the FLEX Options mature at the end of each outcome period, they are replaced. The Buffer Funds do not offer any protection against declines in the Reference Index exceeding 9% on an annualized basis. Shareholders will bear all Reference Index losses exceeding 9% on a one-to-one basis.

The FLEX Options owned by each of the Buffer Funds will have the same terms (i.e. same strike price and expiration) for all investors of a Buffer Fund within an outcome period. The Buffer Cap Level will be determined with respect to each Buffer Fund on the inception date of the Buffer Fund and at the beginning of each outcome period and is determined based on the price of the FLEX Options acquired by the Buffer Fund at that time.

<u>Power Buffer Funds</u>

Under Normal Market Conditions, each Power Buffer Fund (which include the Innovator-100 Power Buffer ETF Series and Innovator Russell 2000 Power Buffer ETF

Series) will attempt to achieve its investment objective by employing a "defined outcome strategy" that will seek to provide investment returns during the outcome period that match the gains of the applicable Reference Index (either the Nasdaq-100 Price Index or the Russell 2000 Price Index, respectively), up to the applicable Power Buffer Cap Level, while shielding investors from Reference Index losses of up to 15%. Pursuant to the Power Buffer Strategy, each Power Buffer Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index.

The portfolio of FLEX Options will be linked to an underlying asset, the Reference Index, that when held for the specified period, seeks to produce returns that produce the following outcomes during the outcome period:

- If the Reference Index appreciates over the outcome period: the Power Buffer Fund will provide shareholders with a total return that matches that of the applicable Reference Index, up to and including the applicable Power Buffer Cap Level;
- If the Reference Index depreciates over the outcome period by 15% or less: the Power Buffer Fund will provide a total return of zero; and
- If the Reference Index decreases over the outcome period by more than 15%: the Power Buffer Fund will provide a total return loss that is 15% less than the percentage loss on the Reference Index with a maximum loss of approximately 85%.

The Power Buffer Funds will produce these outcomes by layering purchased and written FLEX Options. The customizable nature of FLEX Options allows for the creation of a strategy that sets desired defined outcome parameters. The FLEX Options comprising a Power Buffer Fund's portfolio have terms that, when layered upon each other, are designed to buffer against losses or match the gains of the applicable Reference Index. However, another effect of the layering of FLEX Options with these terms is a cap on the level of possible gains.

Any FLEX Options that are written by a Power Buffer Fund that create an obligation to sell or buy an asset will be offset with a position in FLEX Options purchased by the Power Buffer Fund to create the right to buy or sell the same asset such that the Power Buffer Fund will always be in a net long position. That is, any obligations of a Power Buffer Fund created by its writing of FLEX Options will be covered by offsetting positions in other purchased FLEX Options. As the FLEX Options mature at the end of each outcome period, they are replaced. The Power Buffer Funds do not offer any protection against declines in the Reference Index exceeding 15% on an annualized basis. Shareholders will bear all Reference Index losses exceeding 15% on a one-to-one basis.

The FLEX Options owned by each of the Power Buffer Funds will have the same terms (i.e. same strike price and expiration) for all investors of a Power Buffer Fund within an outcome period. The Power Buffer Cap Level will be determined with respect to each Power Buffer Fund on the inception date of the Power Buffer Fund and at the beginning of each outcome period and is determined based on the price of the FLEX Options acquired by the Power Buffer Fund at that time.

<u>Ultra Buffer Funds</u>

Under Normal Market Conditions, each Ultra Buffer Fund (which include the

Innovator-100 Ultra Buffer ETF Series and Innovator Russell 2000 Ultra Buffer ETF Series) will attempt to achieve its investment objective by employing a "defined outcome strategy" that will seek to provide investment returns during the outcome period that match the gains of the applicable Reference Index (either the Nasdaq-100 Price Index or the Russell 2000 Price Index, respectively), up to the applicable Ultra Buffer Cap Level, while shielding investors from Reference Index losses of between 5% and 35%. Pursuant to the Ultra Buffer Strategy, each Ultra Buffer Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index.

The portfolio of FLEX Options will be linked to an underlying asset, the Reference Index, that when held for the specified period, seeks to produce returns that produce the following outcomes during the outcome period:

- If the Reference Index appreciates over the outcome period: the Ultra Buffer Fund will provide a total return that matches the percentage increase of the applicable Reference Index, up to the applicable Ultra Buffer Cap Level;
- If the Reference Index decreases over the outcome period by 5% or less: the Ultra Buffer Fund will provide a total return loss that is equal to the percentage loss on the Reference Index;
- If the Reference Index decreases over the outcome period by 5%-35%: the Ultra Buffer Fund will provide a total return loss of 5%; and
- If the Reference Index depreciates over the outcome period by greater than 35%: the Ultra Buffer Fund will provide a total return loss that is 30% less than the percentage loss on the Reference Index with a maximum loss of approximately

70%.

The Ultra Buffer Funds will produce these outcomes by layering purchased and written FLEX Options. The customizable nature of FLEX Options allows for the creation of a strategy that sets desired defined outcome parameters. The FLEX Options comprising an Ultra Buffer Fund's portfolio have terms that, when layered upon each other, are designed to buffer against losses or match the gains of the applicable Reference Index. However, another effect of the layering of FLEX Options with these terms is a cap on the level of possible gains.

Any FLEX Options that are written by an Ultra Buffer Fund that create an obligation to sell or buy an asset will be offset with a position in FLEX Options purchased by the Ultra Buffer Fund to create the right to buy or sell the same asset such that the Ultra Buffer Fund will always be in a net long position. That is, any obligations of an Ultra Buffer Fund created by its writing of FLEX Options will be covered by offsetting positions in other purchased FLEX Options. As the FLEX Options mature at the end of each outcome period, they are replaced. The Ultra Buffer Funds do not offer any protection against declines in the Reference Index exceeding 35% on an annualized basis. Shareholders will bear all Reference Index losses exceeding 35% on a one-to-one basis.

The FLEX Options owned by each of the Ultra Buffer Funds will have the same terms (i.e. same strike price and expiration) for all investors of an Ultra Buffer Fund within an outcome period. The Ultra Buffer Cap Level will be determined with respect to each Ultra Buffer Fund on the inception date of the Ultra Buffer Fund and at the beginning of each outcome period and is determined based on the price of the FLEX

Options acquired by the Ultra Buffer Fund at that time.

Investment Methodology for the Funds

Under Normal Market Conditions, each Fund will invest primarily in exchange-traded options contracts that reference either the Reference Index or ETFs that track the Reference Index. Each of the Funds may invest its net assets (in the aggregate) in other investments which the Adviser or Sub-Adviser believes will help each Fund to meet its investment objective ("Other Assets"). Other Assets include only the following: cash or cash equivalents, as defined in Rule 14.11(i)(4)(C)(iii)[12] and standardized options contracts listed on a U.S. securities exchange that reference either the Reference Index or that reference ETFs that track the Reference Index ("Reference ETFs").

Reference Index Options Discussion

The Exchange notes that each of the applicable Reference Indexes meet the generic listing standards applicable to indexes underlying series of Index Fund Shares listed on the Exchange under Rule 14.11(c)(3)(A)(i) and (ii), which include diversity, liquidity, and market cap requirements that are designed to ensure that an underlying index is not susceptible to manipulation. Further, the Exchange notes that the market for

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12 As defined in Rule 14.11(i)(4)(C)(iii), cash equivalents include short-term instruments with maturities of less than three months, including: (i) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities; (ii) certificates of deposit issued against funds deposited in a bank or savings and loan association; (iii) bankers acceptances, which are short-term credit instruments used to finance commercial transactions; (iv) repurchase agreements and reverse repurchase agreements; (v) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest; (vi) commercial paper, which are short-term unsecured promissory notes; and (vii) money market funds.

each of the standardized options contracts based on the Reference Indexes is deep and liquid, representing multiple billions of dollars in notional volume traded on a daily basis, as laid out below.

<u>Nasdaq-100 Price Index</u> - In 2018, more than 7,500 options contracts on the Nasdaq-100 Price Index were traded per day, which is more than $5 billion in notional volume traded on a daily basis.

<u>Russell 2000 Price Index</u> - In 2018, more than 30,000 options contracts on the Russell 2000 Price Index were traded per day, which is more than $4.5 billion in notional volume traded on a daily basis.

While FLEX Options are traded differently than standardized options contracts, the Exchange believes that the significant liquidity in the standardized options contracts for each Reference Index, as described above, bolsters the market for FLEX Options, results in a well-established price discovery process that provides meaningful guideposts for FLEX Option pricing, and acts to mitigate the possibility of manipulation in the FLEX Options market.[13]

Every FLEX Option order is exposed to a competitive auction process for price discovery. The process begins with a request for quote ("RFQ") in which the interested party establishes the terms of the FLEX Options contract. The RFQ solicits interested

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[13] The Exchange notes that FLEX Options on the Russell 2000 Price Index are only available on Cboe Exchange, Inc. and FLEX Options on the Nasdaq-100 Price Index are only available on Nasdaq PHLX LLC. Standardized options contracts on the Russell 2000 Price Index are available on Cboe Exchange, Inc., Cboe C2 Exchange, Inc., and Cboe BZX Exchange, Inc. Standardized options contracts on the Nasdaq-100 Price Index are available on Nasdaq GEMX, LLC, Nasdaq PHLX LLC, and Nasdaq ISE, LLC. FLEX Options on ETFs are available only on Cboe Exchange, Inc., Nasdaq PHLX LLC, NYSE Arca, Inc., and NYSE American LLC. Standardized options on ETFs are available on numerous additional U.S. options exchanges.

market participants to respond to the RFQ with bids or offers through a competitive process. This solicitation contains all of the contract specifications-underlying, size, type of option, expiration date, strike price, exercise style and settlement basis. During a specified amount of time, responses to the RFQ are received and at the end of that time period, the initiator can decide whether to accept the best bid or offer. The process occurs under the rules of the applicable exchange which means that customer transactions are effected according to the principles of a fair and orderly market following trading procedures and policies developed by a national securities exchange.

The Exchange believes that sufficient protections are in place to protect against market manipulation of the Funds' Shares and FLEX Options on each of the applicable Reference Indexes for several reasons: (i) the diversity, liquidity, and market cap of the securities underlying each Reference Index;[14] (ii) the competitive quoting process for FLEX Options; (iii) the significant liquidity in the market for options on each of the applicable Reference Indexes, as described above, results in a well-established price discovery process that provides meaningful guideposts for FLEX Option pricing; and (iv) surveillance by the Exchange, other national securities exchanges on which the options contracts on the Reference Indexes are listed, and FINRA designed to detect violations of the federal securities laws and SRO rules. The Exchange has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the

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[14] Each of the applicable Reference Indexes meet the generic listing standards applicable to indexes underlying series of Index Fund Shares listed on the Exchange, which include diversity, liquidity, and market cap requirements that are designed to ensure that an underlying index is not susceptible to manipulation. See Exchange Rule 14.11(c)(3)(A)(i) and (ii).

Shares less readily susceptible to manipulation. Further, the Exchange believes that because the assets in each Fund's portfolio, which are comprised primarily of FLEX Options on the applicable Reference Index, will be acquired in liquid and highly regulated markets,[15] the Shares are less readily susceptible to manipulation.

As noted above, options on the Reference Indexes are liquid and derive their value from the actively traded components of the applicable Reference Indexes. The contracts are cash-settled with no delivery of stocks or ETFs, and trade in competitive auction markets with price transparency. The Exchange believes the highly regulated options markets and the broad base and scope of each Reference Index make securities that derive their value from that index less susceptible to market manipulation in view of market capitalization and liquidity of the components of each Reference Index, price transparency, and arbitrage opportunities.

Surveillance

The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares. All statements and representations made in this filing regarding (a) the description of the

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15 All exchange-listed securities that the Funds may hold will trade on a market that is a member of the Intermarket Surveillance Group ("ISG") and the Funds will not hold any non-exchange-listed equities or options, however, not all of the components of the portfolio for the Funds may trade on exchanges that are members of the ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. For a list of the current members of ISG, see www.isgportal.org.

portfolio, reference assets, and index, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules shall constitute continued listing requirements for listing the Shares on the Exchange. The issuer has represented to the Exchange that it will advise the Exchange of any failure by a Fund or the related Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If a Fund or the related Shares are not in compliance with the applicable listing requirements, then, with respect to such Fund or Shares, the Exchange will commence delisting procedures under Exchange Rule 14.12. FINRA conducts certain cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures with respect to such Fund under Exchange Rule 14.12.

The Exchange or FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares and exchange-traded options contracts with other markets and other entities that are members of the ISG and may obtain trading information regarding trading in the Shares and exchange-traded options contracts from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and exchange-traded options contracts from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

The Exchange believes that the liquidity of the markets for constituent securities of the applicable Reference Indexes, options on the Reference Indexes, and other derivatives related to the Reference Indexes is sufficiently great to deter fraudulent or manipulative acts associated with the Funds' Shares price. The Exchange also believes that such liquidity is sufficient to support the creation and redemption mechanism. Coupled with the extensive surveillance programs of the SROs described above, the Exchange does not believe that trading in the Funds' Shares would present manipulation concerns.

The Exchange represents that, except for the limitations on listed derivatives in BZX Rule 14.11(i)(4)(C)(iv)(b), the Funds' proposed investments will satisfy, on an initial and continued listing basis, all of the generic listing standards under BZX Rule 14.11(i)(4)(C) and all other applicable requirements for Managed Fund Shares under Rule 14.11(i). The Trust is required to comply with Rule 10A-3 under the Act for the initial and continued listing of the Shares of the Funds. A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange. In addition, the Exchange represents that the Shares of the Funds will comply with all other requirements applicable to Managed Fund Shares, which includes the dissemination of key information such as the Disclosed Portfolio,[16] Net Asset Value,[17] and the Intraday Indicative Value,[18]

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[16] See Rule 14.11(i)(4)(A)(ii) and 14.11(i)(4)(B)(ii).

[17] See Rule 14.11(i)(4)(A)(ii).

[18] See Rule 14.11(i)(4)(B)(i).

suspension of trading or removal,[19] trading halts,[20] surveillance,[21] minimum price variation for quoting and order entry,[22] and the information circular,[23] as set forth in Exchange rules applicable to Managed Fund Shares. Moreover, all of the options contracts held by the Funds will trade on markets that are a member of ISG or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. Quotation and last sale information for U.S. exchange-listed options contracts cleared by The Options Clearing Corporation will be available via the Options Price Reporting Authority. RFQ information for FLEX Options will be available directly from the applicable options exchange. The intra-day, closing and settlement prices of exchange-traded options will be readily available from the options exchanges, automated quotation systems, published or other public sources, or online information services such as Bloomberg or Reuters. Price information on cash equivalents is available from major broker-dealer firms or market data vendors, as well as from automated quotation systems, published or other public sources, or online information services.

Lastly, the issuer represents that it will provide and maintain a publicly available web tool for each of the Funds on its website that provides existing and prospective shareholders with important information to help inform investment decisions. The information provided includes the start and end dates of the current outcome period, the

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[19] See Rule 14.11(i)(4)(B)(iii).

[20] See Rule 14.11(i)(4)(B)(iv).

[21] See Rule 14.11(i)(2)(C).

[22] See Rule 14.11(i)(2)(B).

[23] See Rule 14.11(i)(6).

time remaining in the outcome period, the Fund's current net asset value, the Fund's cap for the outcome period and the maximum investment gain available up to the cap for a shareholder purchasing Shares at the current net asset value. For each of the Funds, the web tool also provides information regarding each Fund's buffer. This information includes the remaining buffer available for a shareholder purchasing Shares at the current net asset value or the amount of losses that a shareholder purchasing Shares at the current net asset value would incur before benefitting from the protection of the buffer. The cover of each Fund's prospectus, as well as the disclosure contained in "Principal Investment Strategies," provides the specific web address for each Fund's web tool.

2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act[24] in general and Section 6(b)(5) of the Act[25] in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free

[24] 15 U.S.C. 78f.

[25] 15 U.S.C. 78f(b)(5).

and open market and a national market system and, in general, to protect investors and the public interest in that the Shares will meet each of the initial and continued listing criteria in BZX Rule 14.11(i) with the exception of Rule 14.11(i)(4)(C)(iv)(b), which requires that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures).[26] Rule 14.11(i)(4)(C)(iv)(b) is intended to ensure that a fund is not subject to manipulation by virtue of significant exposure to a manipulable underlying reference asset by establishing concentration limits among the underlying reference assets for listed derivatives held by a particular fund.

The Exchange believes that sufficient protections are in place to protect against market manipulation of the Funds' Shares and FLEX Options on the Reference Index for several reasons: (i) the diversity, liquidity, and market cap of the securities underlying each Reference Index;[27] (ii) the competitive quoting process for FLEX Options; (iii) the

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[26] As noted above, the Exchange is submitting this proposal because the Funds would not meet the requirements of Rule 14.11(i)(4)(C)(iv)(b) which prevents the aggregate gross notional value of listed derivatives based on any single underlying reference asset from exceeding 30% of the weight of the portfolio (including gross notional exposures) and the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets from exceeding 65% of the weight of the portfolio (including gross notional exposures).

[27] Each of the applicable Reference Indexes meet the generic listing standards applicable to indexes underlying series of Index Fund Shares listed on the Exchange, which include diversity, liquidity, and market cap requirements that are designed to ensure that an underlying index is not susceptible to manipulation. See Exchange Rule 14.11(c)(3)(A)(i) and (ii).

significant liquidity in the market for options on each of the applicable Reference Indexes, as described above, results in a well-established price discovery process that provides meaningful guideposts for FLEX Option pricing; and (iv) surveillance by the Exchange, other national securities exchanges on which the options contracts on the Reference Indexes are listed, and FINRA designed to detect violations of the federal securities laws and SRO rules. The Exchange has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the Shares less readily susceptible to manipulation. Further, the Exchange believes that because the assets in each Fund's portfolio, which are comprised primarily of FLEX Options on the applicable Reference Index, will be acquired in liquid and highly regulated markets, the Shares are less readily susceptible to manipulation.

The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares. All statements and representations made in this filing regarding (a) the description of the portfolio, reference assets, and index, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules shall constitute continued listing requirements for listing the Shares on the Exchange. The issuer has represented to the Exchange that it will advise the Exchange of any failure by a Fund or the related Shares to comply with the continued listing requirements, and, pursuant to its obligations under

Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If a Fund or the related Shares are not in compliance with the applicable listing requirements, then, with respect to such Fund or Shares, the Exchange will commence delisting procedures under Exchange Rule 14.12. FINRA conducts certain cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures with respect to such Fund under Exchange Rule 14.12.

The Exchange or FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares and exchange-traded options contracts with other markets and other entities that are members of the ISG and may obtain trading information regarding trading in the Shares and exchange-traded options contracts from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and exchange-traded options contracts from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees. As noted above, options on the Reference Index are liquid and derive their value from the actively traded Reference Index components. The contracts are cash-settled with no delivery of stocks or ETFs, and trade in competitive auction markets with price transparency. The Exchange believes the highly regulated options markets and the broad base and scope of each Reference Index make securities that derive their value from that index less susceptible to market manipulation in view of market capitalization and liquidity of the applicable Reference Index components, price transparency, and arbitrage opportunities.

The Exchange believes that the liquidity of the markets for constituent securities of the applicable Reference Indexes, options on the Reference Indexes, and other derivatives related to the Reference Indexes is sufficiently great to deter fraudulent or manipulative acts associated with the Funds' Shares price. The Exchange also believes that such liquidity is sufficient to support the creation and redemption mechanism. Coupled with the extensive surveillance programs of the SROs described above, the Exchange does not believe that trading in the Funds' Shares would present manipulation concerns.

The Exchange represents that, except as described above, the Funds will meet and be subject to all other requirements of the Generic Listing Standards and other applicable continued listing requirements for Managed Fund Shares under Rule 14.11(i), including those requirements regarding the Disclosed Portfolio,[28] Intraday Indicative Value,[29] suspension of trading or removal,[30] trading halts,[31] disclosure,[32] and firewalls.[33] The Trust is required to comply with Rule 10A-3 under the Act for the initial and continued listing of the Shares of each Fund. Moreover, all of the options contracts held by the Funds will trade on markets that are a member of ISG or affiliated with a member of ISG

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28 See Rule 14.11(i)(4)(B)(ii).

29 See Rule 14.11(i)(4)(B)(i).

30 See Rule 14.11(i)(4)(B)(iii).

31 See Rule 14.11(i)(4)(B)(iv).

32 See Rule 14.11(i)(6).

33 See Rule 14.11(i)(7).

or with which the Exchange has in place a comprehensive surveillance sharing agreement.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an additional type of Managed Fund Shares that will enhance competition among market participants, to the benefit of investors and the marketplace.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. <u>Solicitation of Comments</u>

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

<u>Electronic comments:</u>

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. <u>Please include File Number SR-CboeBZX-2019-067 Amendment No. 2 on the subject line.</u>

<u>Paper comments</u>:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CboeBZX-2019-067 Amendment No. 2. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CboeBZX-2019-067 Amendment No. 2 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[34]

Secretary

[34] 17 CFR 200.30-3(a)(12).