



Preferred-Plus ETF

IPPP (Principal U.S. Listing Exchange: CBOE)

Annual Shareholder Report | September 30, 2024



This annual shareholder report contains important information about the Preferred-Plus ETF for the period of October 1, 2023, to September 30, 2024. You can find additional information about the Fund at <https://innovativeportfolios.com/ipp-p-preferred-plus-etf/>. You can also request this information by contacting us at 1-866-704-6857.

WHAT WERE THE FUND COSTS FOR THE PAST YEAR? (based on a hypothetical \$10,000 investment)

Fund Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Preferred-Plus ETF	\$111	1.01%

HOW DID THE FUND PERFORM LAST YEAR AND WHAT AFFECTED ITS PERFORMANCE?

For the 12-month period ended September 30, 2024, the Fund returned 20.31% on a NAV basis versus its benchmark, the ICE BofA Core Plus Fixed Rate Preferred Securities Index, return of 19.75%.

WHAT FACTORS INFLUENCED PERFORMANCE

The Fund's overweight in the bank and REIT sectors, and security selection in the regional bank sector, contributed to performance. The Fund took positions in regional banks that, in our opinion, had been oversold following the 2023 regional bank crisis. Additionally, the option overlay strategy has been a contributor to the fund performance.

The Fund's smaller than benchmark duration detracted from performance. The 10-year Treasury fell dramatically to 3.78% during the end of 2023 only to rebound back to 4.70% by mid-2024. The Fed's long-awaited rate cut in September resulted in the 10-year Treasury at a 3.78% at quarter end.

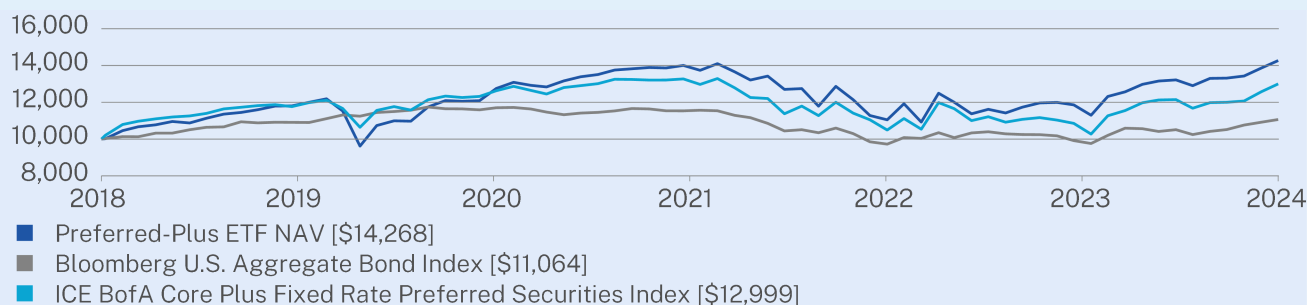
POSITIONING

We have been extending the duration of the Fund; however, we believe the market has been too aggressive in predicting lower interest rates. With the US running large budget deficits and the economy showing few signs of slowing down, we believe the 10-year Treasury will have trouble trading much lower.

HOW DID THE FUND PERFORM SINCE INCEPTION?*

The \$10,000 chart reflects a hypothetical \$10,000 investment in the Fund. The chart uses total return NAV performance and assumes reinvestment of dividends and capital gains. Fund expenses, including management fees and interest expense were deducted.

CUMULATIVE PERFORMANCE (Initial Investment of \$10,000)



ANNUAL AVERAGE TOTAL RETURN (%)

	1 Year	5 Year	Since Inception (12/24/2018)
Preferred-Plus ETF NAV	20.31	4.23	6.36
Bloomberg U.S. Aggregate Bond Index	11.57	0.33	1.77
ICE BofA Core Plus Fixed Rate Preferred Securities Index	19.75	1.92	4.65

Visit <https://innovativeportfolios.com/ippp-preferred-plus-etf/> for more recent performance information.

* The Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

KEY FUND STATISTICS (as of September 30, 2024)

Net Assets	\$11,895,473
Number of Holdings	106
Net Advisory Fee	\$96,480
Portfolio Turnover	16%
Effective Duration	3.82 years
Average Credit Quality	BBB-
30-Day SEC Yield	5.87%

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WHAT DID THE FUND INVEST IN? (as of September 30, 2024)**Industry Breakdown (%)**

Banks	37.6%
Insurance	17.9%
REITS	13.7%
Diversified Financial Services	9.1%
Electric	8.8%
Telecommunications	4.1%
Savings & Loans	2.9%
Auto Manufacturers	2.4%
Distribution/Wholesale	1.5%
Cash & Other	2.0%

Top 10 Securities (%)

Synovus Financial Corp.	2.1%
Athene Holding Ltd.	2.0%
JPMorgan Chase & Co., Series LL	1.9%
JPMorgan Chase & Co., Series DD	1.8%
KeyCorp	1.8%
Bank of America Corp.	1.7%
Banc of California, Inc.	1.7%
Stifel Financial Corp.	1.5%
Digital Realty Trust, Inc.	1.5%
American National Group, Inc.	1.5%

For additional information about the Fund; including its prospectus, financial information, holdings and proxy information, scan the QR code or visit <https://innovativeportfolios.com/ippp-preferred-plus-etf/>.

HOUSEHOLDING

To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your Innovative Portfolios, LLC documents not be househanded, please contact Innovative Portfolios, LLC at 1-866-704-6857, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Innovative Portfolios, LLC or your financial intermediary.