



A NEW GATEWAY TO CATASTROPHE BOND INVESTING

The first-ever catastrophe bond ETF, Brookmont Catastrophic Bond ETF (ILS), provides investors with exposure to an income generating, non-correlated asset class through a diversified portfolio of catastrophe bonds (Cat Bonds). These instruments seek to address the growing imbalance between insurance demand and capacity, offering market-based solutions where traditional coverage falls short.



WHAT ARE INSURANCE-LINKED SECURITIES (ILS)?

ILS are financial instruments that allow insurers and reinsurers to offload extreme risks to the capital markets. These instruments include:

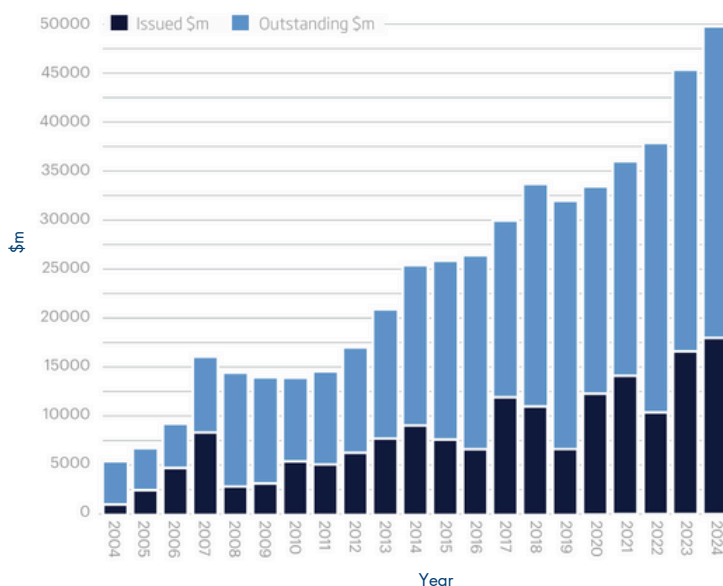
- **Catastrophe Bonds (Cat Bonds)** – Transfers risk of natural disasters like hurricanes and earthquakes. Traditional Cat Bonds will be the focus of this ETF; however, there are other security forms in the market, including:
 - **Industry Loss Warranties (ILWs)** – Pays out based on industry-wide losses rather than specific insurer claims.
 - **Sidecars** – Private investments in specific reinsurance portfolios.

While other ILS securities exist—such as those tied to **cybersecurity or terrorism risks**—the **Brookmont Catastrophic Bond ETF (ILS)** focuses solely on natural catastrophe bonds, offering investors exposure to a high-yield, non-correlated asset class.

WHY CAT BONDS? A MARKET THAT'S COME OF AGE

The Cat bond market has evolved significantly over the past 25 years. Initially a niche market dominated by large institutional investors, it has grown into a **\$50+ billion industry** (Artemis Q4 2024 CAT Bond market update) that plays a crucial role in global risk management.

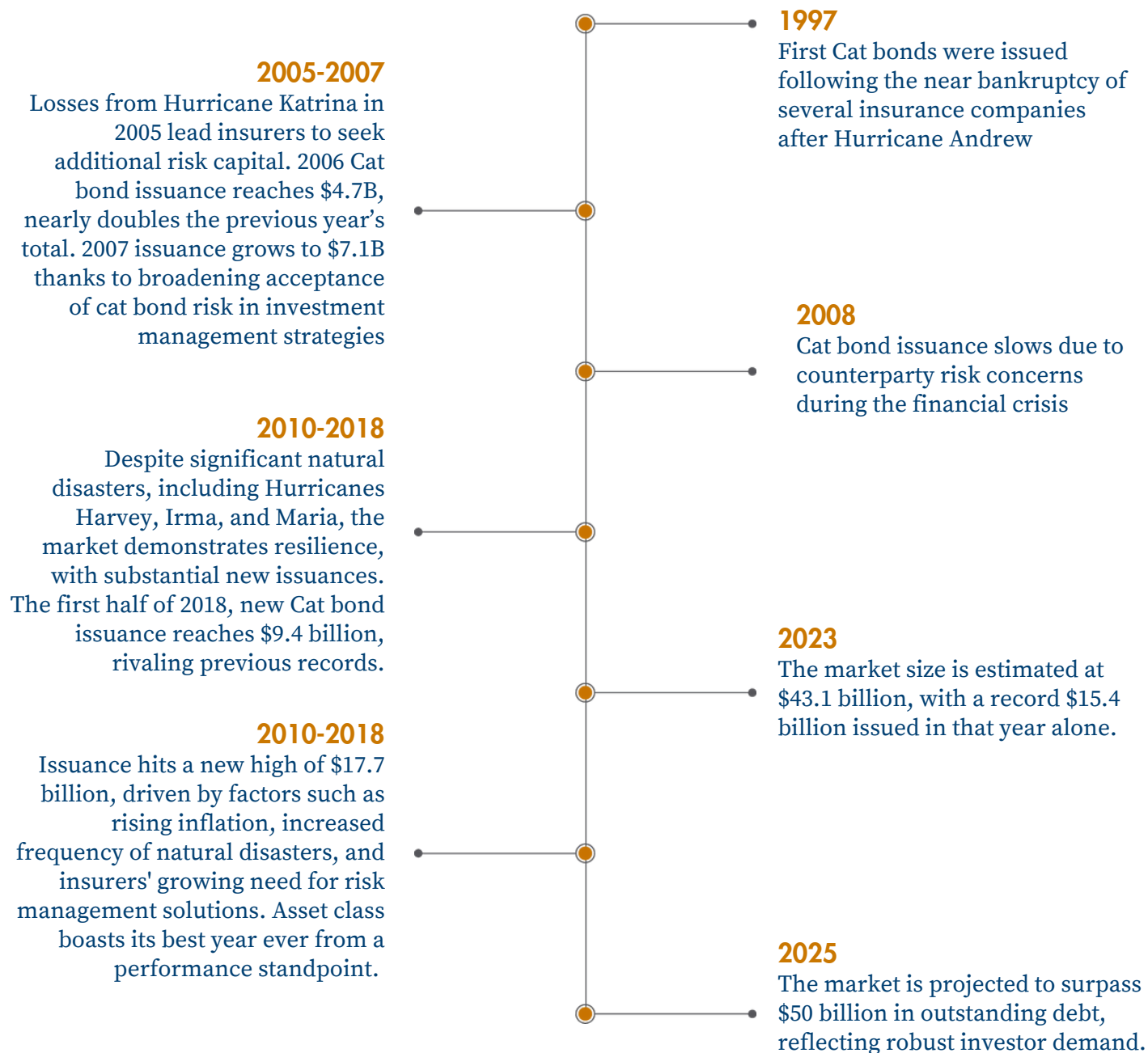
- **Annual Issuance:** The catastrophe bond market reached an unprecedented **\$17.7 billion** in new issuances for 2024, surpassing previous records. (The Artemis Q4 2024 Catastrophe Bond and related insurance-linked securities (ILS) Market Report)
- **Market Size:** The outstanding cat bond market is approaching **\$50 billion**, indicating robust growth and investor interest. We expect the market to grow further, reaching at least \$80 billion by the decade's end.



Source: [The Artemis Q4 2024 Catastrophe Bond and related insurance-linked securities (ILS) Market Report]



THE EVOLUTION OF THE CATASTROPHE BOND MARKET



Sources:

1997: Goldman Sachs, "The Evolution of the Catastrophe Bond Market," Financial Times, 2018.

2005-2007: Artemis Catastrophe Bond & ILS Market Reports; Guy Carpenter, "The Catastrophe Bond Market Following Hurricane Katrina," 2007

2008: Aon Benfield, "Insurance-Linked Securities: Capital Market Solutions for Catastrophe Risk," Annual Report 2009

2010-2018: Willis Re Securities, "ILS Market Update," Q2 2018

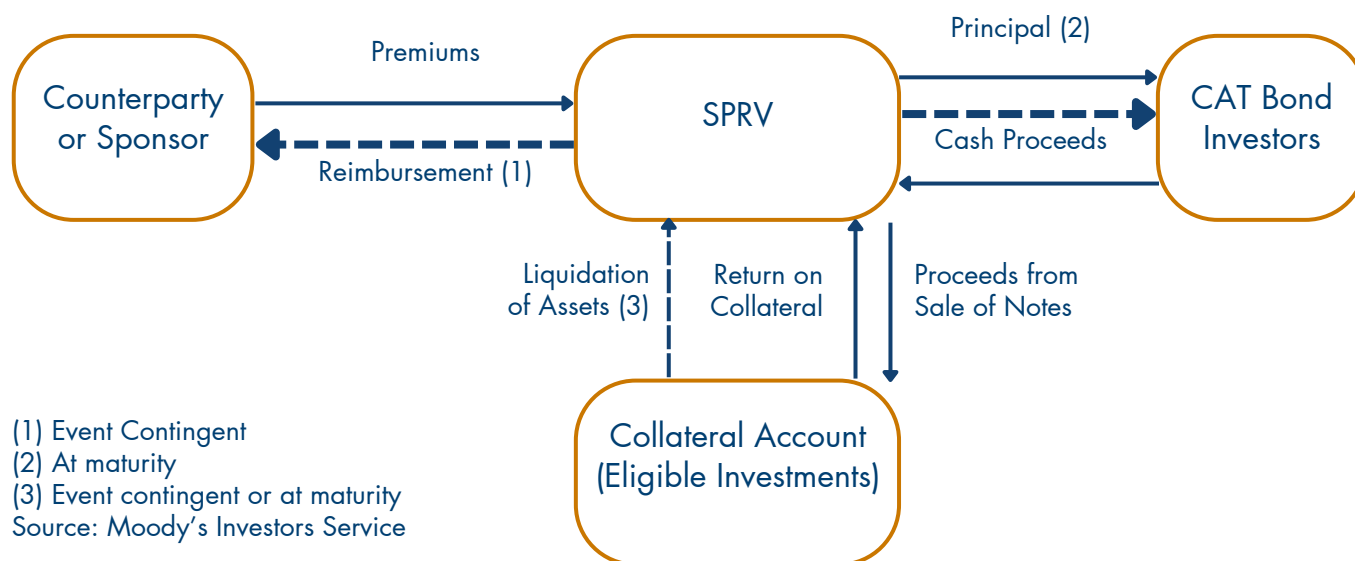
2023: Swiss Re Capital Markets, "Insurance-Linked Securities Market Update," 2023.

2025 (Projection): Swiss Re Institute, "Global Insurance Review 2024 and Outlook 2025"



Cat bonds have historically been **difficult for individual investors to access**, as most are issued through offshore structures such as **Bermuda Island-based Special Purpose Vehicles (SPVs)**. Additionally, there has been an accessibility issue based on minimum investment sizes, which can be quite high, as well as concerns regarding liquidity, making it challenging for smaller investors to participate in this market. However, **the Brookmont Cat Bond ETF seeks to simplify access by bundling a diversified portfolio of these securities into a single, liquid investment vehicle.**

HERE'S HOW IT WORKS



Insurers issue Cat bonds to cover potential losses from major disasters like hurricanes, earthquakes, or wildfires.

If no such event occurs, investors earn regular, floating rate high-yield interest payments and ultimately get their principal back.

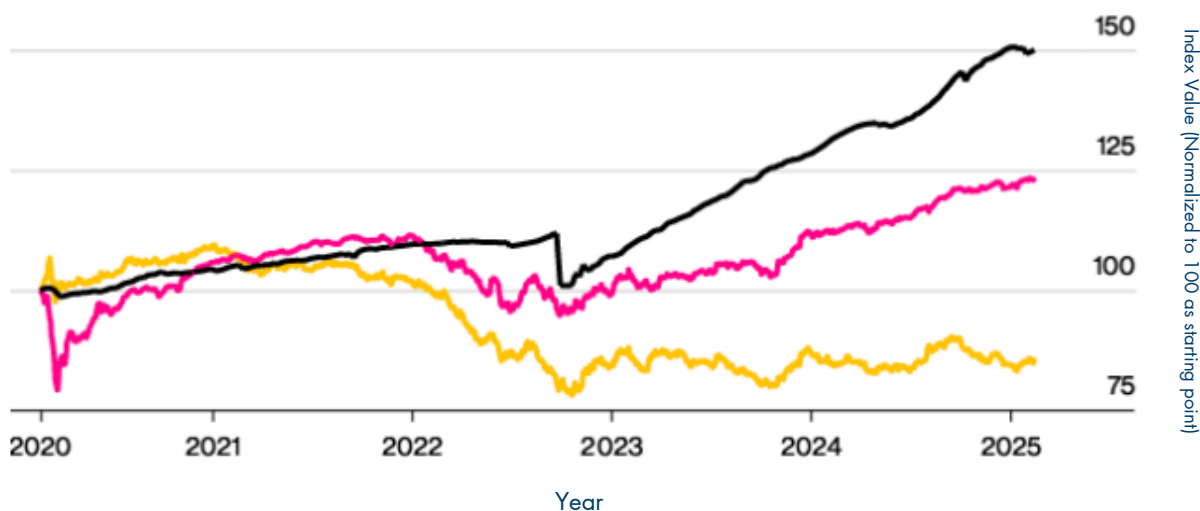
However, suppose a series of predefined events - such as insured losses exceeding a certain dollar threshold for a specific insurer due to hurricanes in Florida - triggers the bond. In that case, investors may lose some or all of their principal investment.

These bonds are primarily utilized by institutional investors because they have a **low correlation to traditional financial markets**. Their performance is driven by the occurrence (or absence) of catastrophic events rather than by more cyclical or systemic economic factors like interest rates, credit risk, or corporate earnings. Historically, Cat bonds have offered wider spreads than many high-yield corporate bonds but have been difficult for average investors to access.



The chart below tracks the performance of \$100 invested in three different bond indices starting February 21, 2020:

- Swiss Re Global Cat Bond Index (black line): Grew to approximately \$145, representing a ~45% return over the period
- Bloomberg US Corporate High Yield Index (pink line): Grew to approximately \$120, representing a ~20% return
- Bloomberg Treasuries Index (yellow line): Declined to approximately \$80, representing a ~20% loss

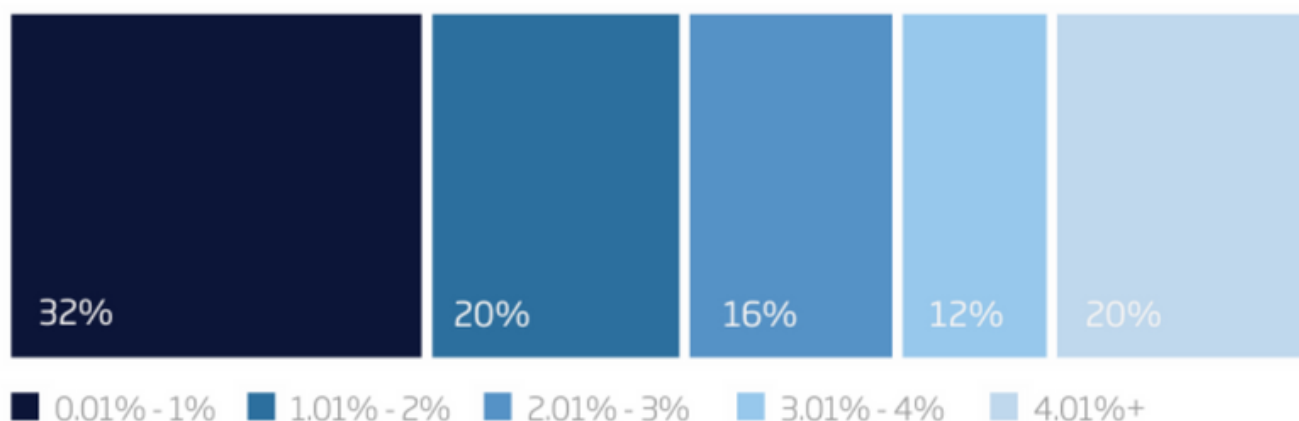


- Swiss Re Global Cat Bond Index
- Bloomberg Treasuries Index
- Bloomberg US Corporate High Yield Index

Source: Bloomberg
Data is normalized with factor 100 as of Feb. 21, 2020

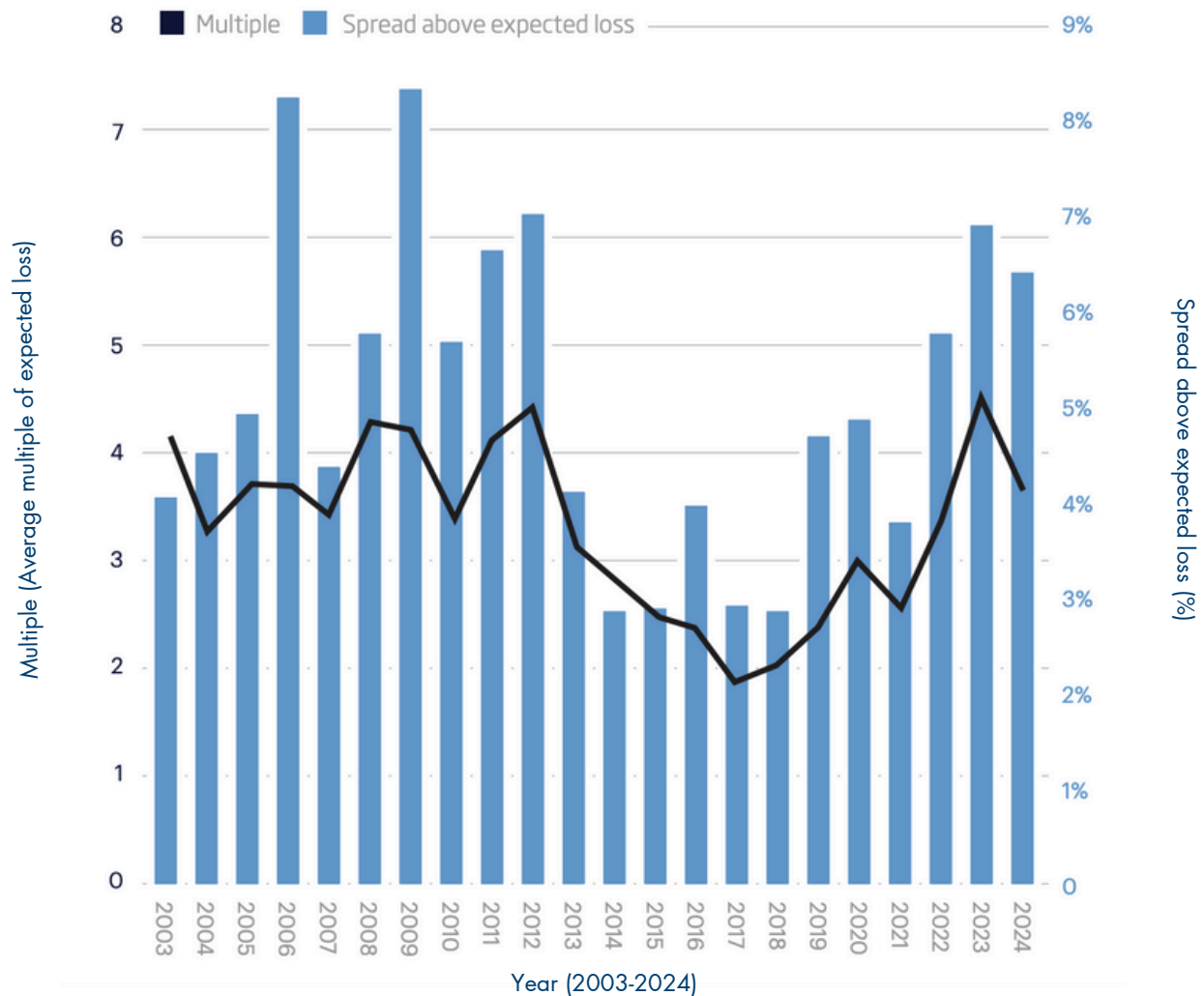
SPREAD AND EXPECTED LOSS

- Despite the name Catastrophic bond, the expected loss for issuance is generally between 2-3 percent.
- 52%, or \$2.3 billion of the \$4.4 billion of issuance in the fourth quarter, for which we have expected loss data, had an expected loss of below 2%. Of this, the large majority had an expected loss of less than 1% (Artemis Q4 2024 Cat Bond market update)



Source: (The Artemis Q4 2024 Catastrophe Bond and related insurance-linked securities (ILS) Market Report)





Source: (The Artemis Q4 2024 Catastrophe Bond and related insurance-linked securities (ILS) Market Report)

GLOBAL PERIL EXPOSURE

- While most issuance occurs in **Bermuda**, the risk being transferred is **global**—covering potential perils from **U.S. hurricanes to Japanese typhoons and European windstorms**.
- Investors benefit from geographic exposure **diversification and different types of perils because it helps reduce risk. By investing in various regions and unrelated risks, they can protect themselves from losses in any single area or event, leading to potentially more stable returns overall.**
- Catastrophe bondholders have so far avoided significant losses despite the devastation caused by recent natural disasters, including Hurricanes Helene and Milton and the fires in Los Angeles. The last time investors saw a meaningful dent in their returns was in September 2022, after Hurricane Ian ripped through Florida, leading to about \$65 billion of insured losses. According to the Swiss Reindex, cat-bond losses that year were limited to about 2%.

Source: Bloomberg, Catastrophe-Bond Funds See Risk Premiums Rising After Milton



HOW CAT BONDS ENHANCE A PORTFOLIO ILLUSTRATION

- **Low Correlation with Traditional Markets:** Because Cat bond performance is tied to nature-driven events rather than financial markets, they often provide noncorrelated exposure during periods of market volatility.
- **High-Yield Alternative to Traditional Bonds:** Cat bonds offer competitive yields, often surpassing those of high-yield corporate debt. This makes them attractive for income-focused investors seeking better returns without adding traditional financial risk from the equity market and credit and economic risks.
- **Resilience in Volatile Markets:** Cat bonds have historically demonstrated resilience during economic downturns due to their low correlation with traditional financial markets. For example, during the 2008 financial crisis, Cat bonds posted positive returns while many other asset classes declined significantly. (Source: Swiss Re Cat Bond Index)

However, it's important to distinguish between economic/credit risk and market risk. While Cat bonds' performance is largely independent of economic conditions, they remain risk assets that can be affected by broader market sentiment shifts. During periods of market stress, Cat bonds may experience price volatility from "risk-off" trading behavior even when their underlying fundamentals remain strong.

WHY CATASTROPHE BOND INVESTMENTS ARE CRITICAL NOW

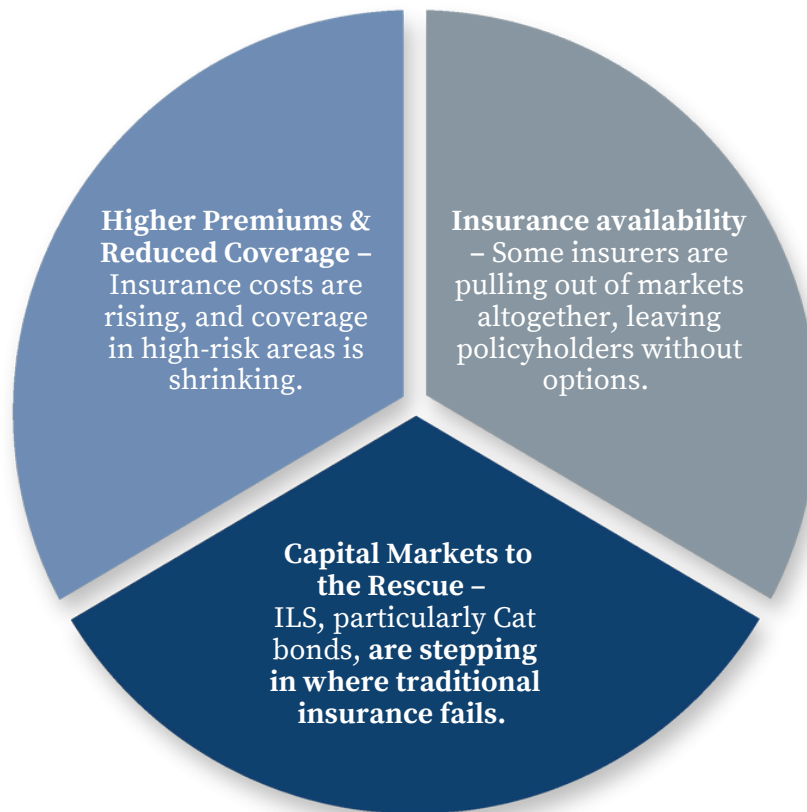
The insurance industry is under increasing pressure as severe weather events drive up claims and expose cracks in traditional insurance models.

Challenges in the Insurance Market:

- **Insurance Shortfalls (The Protection Gap):** The cost of natural disasters is rapidly increasing—in some areas, faster than insurance coverage can keep up. Many communities are significantly underinsured, meaning the economic damage from extreme events far exceeds what insurance policies cover. This "protection gap" seriously risks local economies and global financial stability. Cat bonds allow insurers to price and disseminate risk more effectively while continuing to serve higher-risk geographies and perils, helping protect those regions from financial ruin.
 - Example: After the January 2025 Southern California wildfires, many homeowners faced devastating financial losses due to inadequate insurance coverage, revealing the limits of private insurers and government disaster aid programs.



- **Escalating Costs of Risk:** Frequent and severe natural disasters increase the cost of protecting hard assets, making traditional insurance more expensive and less viable. Insurers and reinsurers are now leveraging Cat bonds to price some of these risks and returns to investors more effectively. This creates a market opportunity for investors to potentially earn competitive yields while supporting resilience against climate risks.



The Brookmont Catastrophic Bond ETF (ticker: ILS) is uniquely positioned to address these pressing challenges with the goal of providing access to this high-yielding, non-correlated asset class designed to withstand the unpredictability of catastrophic events.

ILS is managed by Brookmont Capital Management, with King Ridge Capital Advisors as a sub-adviser. It will be **the first Cat bond ETF to trade on the New York Stock Exchange (NYSE)** and seeks to provide investors with daily liquidity and streamlined access to a diversified portfolio of Cat bonds.

This first-of-its-kind ETF was launched to address the accessibility and complexity challenges that have historically limited investor participation in this asset class and was designed to meet the needs of high-net-worth and institutional investors looking for income, portfolio diversification, and protection from traditional market volatility.



LET'S EXPLORE THE CASE FOR INVESTING IN THIS ETF

“THIS ETF AIMS TO OFFER INSTITUTIONAL AND RETAIL INVESTORS AN EASILY TRADABLE, TRANSPARENT, AND LIQUID ENTRY POINT INTO THE CAT BOND MARKET, MAKING IT MORE ACCESSIBLE THAN EVER.”

—Rick Pagnani, co-founder of King Ridge.

CAPITAL MARKETS' ROLE IN CLOSING THE INSURANCE GAP

Traditional insurance and reinsurance alone cannot keep up with the rising costs of climate-related risks. This growing shortfall opens the door for capital markets to play a pivotal role:

- **A Macroeconomic Solution:** Institutional investors can bring transparency and economic stability to high-risk regions by investing in CAT bonds. These investments enhance risk-sharing and provide capital to areas lacking traditional insurance coverage.
 - **Driving Market Innovation:** As more investors participate in the Cat bond market, liquidity and price discovery improve. This creates the conditions for **further product development**, including new insurance-linked securities (ILS) and risk-transfer solutions. A dynamic Cat bond market can ultimately expand the range of financial tools available to mitigate global disaster risks.
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This convergence of **climate risks, financial innovation, and market needs** underscores why we believe that catastrophe bond investing is essential today. The Brookmont Cat Bond ETF offers a timely and strategic way for investors to diversify portfolios, earn income, and contribute to a more resilient global economy.



WHY THE BROOKMONT CATASTROPHIC BOND ETF (ILS) IS THE SOLUTION

The Brookmont Catastrophic Bond ETF provides a **groundbreaking approach to investing in Catastrophe bonds**. It solves challenges that have historically limited access to this unique asset class. By offering daily liquidity, transparency, and expert management, the ETF allows investors to quickly diversify their portfolios while earning income generating returns from catastrophe risk.

DAILY LIQUIDITY AND TRANSPARENT ACCESS

- **Instant Access on the NYSE:** The ETF is the first Cat bond strategy traded on a major exchange (NYSE: ILS). It provides investors with **daily liquidity** and aims to eliminate the headache of rigid redemption schedules of traditional Cat bond funds, such as interval or mutual funds.
 - Investors can trade shares in real-time, enabling them to manage their exposure flexibly.
- **Reduced Complexity:** By bundling multiple Cat bonds into a single ETF, Brookmont reduces the **operational and structural complexities** associated with individual Cat bond investments. Investors no longer need to navigate technical risk models, collateral arrangements, or specialized trigger event criteria.

A PURE-PLAY CAT BOND STRATEGY

- **Focused Allocation:** Unlike other ILS strategies that mix in cyber, terrorism, or financial risks, this ETF exclusively holds Cat bonds tied to natural disasters.
- **Diversification Across Perils & Regions:** The fund invests in hurricanes, typhoons, earthquakes, wildfires, and other weather-driven events worldwide.

DIVERSIFICATION ACROSS PERILS AND GEOGRAPHIES

- **Comprehensive Exposure:** The ETF invests across various **natural catastrophe risks** (e.g., U.S. hurricanes, Japanese typhoons, European windstorms) and regions. This approach seeks to minimize the impact of any single disaster on the fund's performance.
- **Active Risk Management:** Brookmont Capital Management and sub-adviser King Ridge Capital Advisors apply a **proprietary risk assessment process** to maintain balance across different perils. This ensures the portfolio is well-positioned to deliver income while managing risk.



EXPERT MANAGEMENT TEAM

- **Partnership with Industry Leaders:** Brookmont Capital and King Ridge Capital Advisors bring deep experience in the **Cat bond and reinsurance markets**, providing institutional-grade expertise in selecting and managing securities.
- **Dynamic Portfolio Adjustments:** The managers actively adjust allocations based on evolving market conditions and risk factors, such as climate trends and catastrophe modeling. This active oversight enhances the fund's ability to optimize returns while maintaining liquidity.

EFFICIENCY FOR INSTITUTIONAL AND RETAIL INVESTORS

- **Cost and Time Savings:** Managing a diversified Cat bond portfolio independently requires access to proprietary models and market expertise. The ETF simplifies this process, delivering a **cost-effective solution** with built-in diversification and professional oversight.
- **Real-Time Trading Opportunities:** Investors can **quickly respond to market conditions** and catastrophic events, trading ETF shares to adjust their exposure without the delays and restrictions of traditional private funds.

By overcoming the historical challenges of Cat bond investing, the Brookmont Cat Bond ETF offers the most practical and efficient path to capitalizing on this income generating, climate-resilient asset class



A STRATEGIC INVESTMENT FOR TODAY'S CHALLENGES

The Brookmont Catastrophic Bond ETF (ILS) is a first-of-its-kind solution that brings institutional-quality Cat bond investing to investors seeking diversification, income, and climate-resilient opportunities in today's evolving market landscape. As weather-related risks increase, the need for innovative financial tools like Cat bonds has never been greater. This ETF opens the door to an **asset class previously limited to institutional investors**, providing **daily liquidity, professional risk management, and broad diversification** across global catastrophe risks.

By investing in the Brookmont Cat Bond ETF, investors can:

- Earn **attractive, non-correlated returns** that remain stable even in volatile markets.
- Contribute to the **global risk-transfer system**, helping communities and economies recover from natural disasters.
- Access a **cost-effective and flexible alternative** to traditional insurance-linked investments.
- Access a growing \$50B+ market that has matured into a critical financial tool.
- Earn competitive yield, non-correlated returns in an increasingly volatile world
- Support disaster recovery efforts while diversifying your portfolio
- Gain liquidity and transparency not previously available in the Cat bond space

Whether you are an institutional investor, financial advisor, or individual seeking alternatives to traditional bonds, the ILS ETF is designed to help you **achieve strong risk-adjusted returns** while mitigating the impact of market turbulence. This innovative fund is not only an investment in your portfolio's stability—it's a forward-thinking solution that addresses the financial realities of a climate-challenged world.



GLOSSARY

Catastrophe Bond: A high-yield debt instrument designed to transfer specific insurance risks from the issuer to investors, where investors receive attractive returns but risk losing part or all of their principal if a pre-defined catastrophic event (like a hurricane, earthquake, or pandemic) occurs within a specified timeframe. These bonds allow retail investors to participate in the insurance market, typically with limited correlation to traditional stocks and bonds, offering potential portfolio diversification with clearly defined risk parameters.

SPRV: A legally separate, bankruptcy-remote entity created specifically to issue catastrophe bonds that transfer insurance risk from sponsors to capital market investors while holding collateral in trust to secure the transaction.

Counterparty: The entity on the opposite side of the transaction that assumes contractual obligations, typically either the sponsor (insurer/reinsurer) who seeks protection or the investors who provide capital and take on the risk of loss in exchange for returns.

Event Contingent: A trigger mechanism that determines when and how much of the investors' principal will be lost based on the occurrence and severity of a predefined catastrophic event such as a hurricane, earthquake, or pandemic.

Swiss Re Global Bond Index: A widely-used benchmark that tracks the performance of catastrophe bonds and insurance-linked securities across global markets, providing investors with a measure of returns and volatility in this alternative asset class.

Bloomberg US Corporate High Yield Index: A comprehensive index that tracks the performance of below investment-grade (junk) corporate bonds issued by US companies, offering higher potential returns with increased credit risk compared to investment-grade securities.

Bloomberg Treasuries Index: A benchmark index that measures the performance of US government debt obligations across various maturities, representing one of the safest fixed-income investments backed by the full faith and credit of the US government.



IMPORTANT RISK INFORMATION

All investing involves risk. Loss of principal is possible.

Because catastrophe bonds and other forms of ILS are typically rated below investment grade or unrated, a substantial portion of the Fund's assets ordinarily will consist of below investment grade (high yield) debt securities that are high risk or speculative.

Reinsurance-Related Securities Risks. The Fund is subject to the risk that a triggering event(s) of a particular size/magnitude occurring in a designated geographic area, and as a result, the Fund will lose all or a significant portion of the principal it has invested in a particular security and the right to additional interest payments with respect to the security. If multiple triggering events occur that impact a significant portion of the Fund's portfolio, the Fund could suffer substantial losses. In addition, it is possible that certain triggering events, such as hurricanes, earthquakes and other natural catastrophes, will significantly impact the Fund's net asset value, market price, and volatility, in the period leading up to, during, and immediately after, such triggering event as market participants assess the impact of the event and the particular terms of the Fund's investments. A majority of the Fund's assets will be invested directly or indirectly in reinsurance-related securities tied to natural events and disasters, and there is inherent uncertainty as to whether, when or where such events will occur. There is no way to accurately predict whether a triggering event will occur and, because of this significant uncertainty, reinsurance-related securities carry a high degree of risk.

Market risk. The market prices of securities or other assets held by the Fund may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, political instability, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, weather or climate events, armed conflict, market disruptions caused by tariffs, trade disputes, sanctions or other government actions, or other factors or adverse investor sentiment. If the market prices of the Fund's securities and assets fall, the value of your investment will go down. A change in financial condition or other event affecting a single issuer or market may adversely impact securities markets as a whole.

Debt Securities Risks

Credit Risk. Credit risk is the risk that an issuer or guarantor of debt instruments will be unable or unwilling to make its timely interest and/or principal payments or to otherwise honor its obligations. Debt instruments are subject to varying degrees of credit risk, which may be reflected in their credit ratings. There is the chance that the Fund's portfolio holdings will have their credit ratings downgraded or will default (i.e., fail to make scheduled interest or principal payments), potentially reducing the Fund's income level or share price.

High Yield Bond Risk. The Fund will invest primarily in securities rated below investment grade or that are unrated and may be subject to greater risks than other investments, including greater levels of risk related to changes in interest rates, credit risk (including a greater risk of default), and illiquidity risk. Such investments are speculative and are more susceptible to real or perceived adverse economic and competitive industry or business conditions than higher-grade investments. Yields on securities rated below investment grade or that are unrated will fluctuate and may, therefore, cause the Fund's value to be more volatile. Certain investments of the Fund may be initially rated investment grade but may be downgraded to belowinvestment-grade status (or may be determined by the Adviser or Sub-Adviser to be of comparable quality) after the Fund purchases them.

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call (888)123-4589 or visit our website at [www.\[fund website\].com](http://www.[fund website].com). Read the prospectus or summary prospectus carefully before investing.

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