

ILS

Brookmont Catastrophic Bond ETF

Fund Description

ILS is actively managed, investing primarily in global catastrophe bonds while maintaining a focus on high-yield natural securities. It selects constituents based on geography, peril type, trigger, and risk-adjusted return potential.

FactSet Analyst Report

ILS is the first US-listed catastrophe bond ETF. It provides investors exposure to a non-correlated asset class through an actively managed portfolio of global catastrophe bonds. Catastrophe bonds, also known as Cat bonds, are financial instruments that transfer natural risk disasters from insurers to capital market investors. Insurers gain extra insurance protection while investors gain access to high yield returns. The fund exclusively holds high yield rated Cat bonds tied to natural disasters, called trigger events. These bonds may be issued by US and foreign insurers, reinsurers, governments, and special purpose vehicles (SPVs). It has no limit on the maturity of the securities, as well as to the type of natural catastrophes, geographic areas, or thresholds of economic or physical loss it can invest in. In selecting constituents, qualitative and quantitative elements are considered including peril type, geography, payout trigger, issuer, and risk-adjusted return potential.

