Disaster Recovery ETF is a Reflection of CEO's Experience with Katrina and Sandy
By Andrew Chanin

As we recognize the United Nations' International Day for Disaster Reduction, Puerto Rico and Florida are just beginning the long road to recovery from Hurricanes Fiona and Ian. The death toll from these storms is already over 100 and unfortunately, is likely to rise, while the financial impact is estimated to be in the billions.[1] These catastrophic storms serve as a stark reminder that the frequency and intensity of natural disasters are increasing and reinforce the importance of this year's UN theme of early warning and disaster risk reduction. This devastating hurricane season also takes me back to my own experiences with Hurricanes Katrina and Sandy — the connection behind the Procure Disaster Recovery Strategy ETF (FEMA).

It was the last week of August in 2005, I had just arrived in New Orleans to start my junior year at Tulane University when Hurricane Katrina evacuations began. My friends and I headed to Baton Rouge to escape the brunt of the storm — the one-hour drive took five as many tried to flee. I remember watching the news, realizing this would be a catastrophic, life-changing event. After the storm passed, the fall semester was canceled and I made my way home to New Jersey, struggling to find gas along the way and sleeping in a car because hotels were full.

The following year, Tulane reopened, despite sustaining $100 million in damages. I returned that fall to campus overwhelmed with emotions — it was incredible to reunite with friends, but you were constantly reminded by the impact of that violent hurricane. This city I loved was a fractured version of its former self with homes destroyed and communities dispersed. Despite the destruction, it is beautiful to see the significant progress New Orleans has made to restore its traditions and culture while making investments to better protect the city and its inhabitants in the future.

Seven years later while living in New York City, I saw similar destruction after Hurricane Sandy ripped through the Northeast. Having grown up in neighboring New Jersey, it was difficult to see the state where my friends and family live struggling to rebuild in the aftermath of the storm. Living through these two storms really put the disaster recovery industry into perspective for me personally. While these storms each felt like once-in-a-lifetime events, the reality is natural disasters are increasing in frequency and severity. The White House believes that damages from hurricanes, wildfires, floods, droughts, severe storms and earthquakes could cost the US Federal budget $2 trillion per year by the end of the century.[2]

It was these experiences with Katrina and Sandy which resonated with me during the creation of the FEMA ETF, which we launched in June of this year. The **Procure Disaster Recovery Strategy ETF** is the first fund to invest in global companies engaged in mitigating the risk and recovering from natural disasters. The FEMA ETF is the culmination of my experiences with natural disasters and my background in the thematic ETF space. Public sector investment in natural disaster recovery is not enough — the private sector plays a critical role in minimizing the impact of these events.

This year, as we observe the International Day for Disaster Reduction, the focus is on increasing the availability of multi-hazard early warning systems, as well as disaster risk information and assessment, by 2030. Early warning is quite literally the difference between life and death. The ability to not only predict the strength of these events, but also pinpoint the areas that will be most impacted, allows for preparations to preserve life and property. Several of the companies within the FEMA ETF play a critical role in risk reduction, including Maxar Technologies* (MAXR), which uses satellite imagery to track hurricanes, wildfires and other impending disasters in order to prepare areas of impact. Other companies, including Jacobs Solutions* (J) and AECOM* (ACM), are global leaders in helping communities enhance disaster resiliency and adapt to climate change.

By 2030, the United Nations estimates there will be 500 major natural disaster events a year, each one costing more than $1 billion — that's 1.5 events per day.[3] The startling numbers remind us why disaster prevention and mitigation is vital, and it's why ProcureAM believes it's necessary that companies working in this space are funded and championed.

[1]https://www.cnbc.com October 3, 2022; [2]https://www.cnbc.com April 4, 2022;
[3]https://news.un.org April 26, 2022

*As of September 30th, 2022, AECOM (ACM) was a 1.64% holding, Jacobs Solutions (J) was a 1.58% holding, and Maxar (MAXR) was a 1.47% holding in the Procure Disaster Recovery Strategy ETF (NASDAQ: FEMA).

Please consider the Funds investment objectives, risks, and charges and expenses carefully before you invest. This and other important information is contained in the Fund's summary prospectus and prospectus, which can be obtained by visiting procureetfs.com. Read carefully before you invest.

Investing involves risk. Principal loss is possible. The Fund is also subject to the following risks: Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the funds. Brokerage commissions will reduce returns. Securities of small- and mid-capitalization companies may experience much more price volatility, greater spreads between their bid and ask prices and significantly lower trading volumes than securities issued by large, more established companies. The Fund is not actively managed so it would not take defensive positions in declining markets unless such positions are reflected in the underlying index. Please refer to the summary prospectus for a more detailed explanation of the Funds' principal risks. It is not possible to invest in an index.

Natural Disaster/Epidemic Risk - Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics, have been and may be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments. Foreign Investment Risks – Foreign securities are typically more volatile, harder to price, and less liquid than U.S. securities.

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