

# Event Monitoring & Risk Indices

A Minerva Insight Service, powered by algorithms and data science

Protect portfolio value through early insight and pre-emptive action on emerging risks and increased financial exposure

## Two Problems to Solve...

1. **The “Lack of Transparency” Problem:** “We are often exposed by lack of visibility into the “faint signals” that could impact our portfolio value”
2. **The “Risk Exposure Surprise” Problem:** “Surprises are never good. They create credit and portfolio risk... which is why we are always looking for new methods to reduce surprises... [and therefore] monetize our risk capital more effectively.”

## ...and One Opportunity to Exploit:

**The “Find a Theme and Drive a Market Around It” Opportunity:** “We are always looking to find new ways to identify emerging themes to exploit or new assets to acquire...”

## Which is where we come in to provide:

**Algorithmically monitored indices, powered by machine learning and predictive modeling.**

Indices – like the S&P 500, Moody's Credit Ratings and so many others – are important mechanisms to “make sense” of and simplify the complexity of enormous amounts of data.

**They are also instruments both to create and to protect value.**

Questions answered:

1. How do we more effectively integrate leading indicators into existing risk models / indices to strengthen predictive insights?
2. What are the financial and operational (KPI) exposures of different types of risks on a hyper-granular basis (e.g., insights by county, sector, workforce – including both ripple effects and recovery rates)?
3. How do we better protect our capital returns using these indicators?

**We currently have risk indices for Climate, COVID-19, Regulatory, Reputation, Supply Chain Shocks... and can build a new one every 2 weeks**

Baseline Portfolio



Events to Monitor and Signals to Amplify



Overall Performance Impacts with Capital Requirement Implications



Risk Exposure of Underlying Assets



Impacts on...



Expected Loss vs. Event-Driven Loss Comparison

