Yield Book Physical Climate Risk analytics for MBS

Mitigate risk and identify opportunities through integrating leading climate models in your MBS workflows

Leverage the combination of Yield Book's comprehensive fixed income experience and state-of-the-art climate models in your securitised asset portfolios.

With over $2 trillion in damages caused by natural disasters and events since 1980 in the US alone, alongside tightening regulation, enhanced risk management and reporting requirements, there is an acute need for the market to integrate best-in-class approaches to physical climate risk.

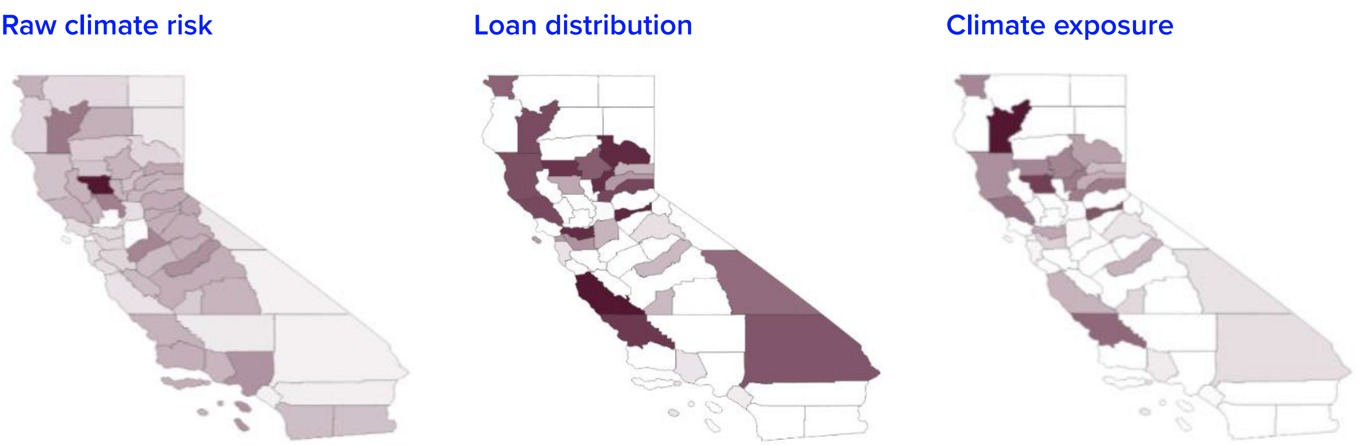
Our tailored physical climate risk analytics were developed with extensive feedback from the market, covering both acute and chronic hazard and scenario combinations globally, with value-driving applications throughout the investment lifetime. Combined with Yield Book's comprehensive view of the securitised market, our physical climate risk offering empowers effective risk management, scenario analysis, portfolio benchmarking, and the fulfilment of regulatory requirements via flexible, scalable data delivery mechanisms.

The exposure of assets underlying MBS instruments to physical climate risks is computed using Yield Book's proprietary methodology, employing both asset-level information and climate risk data output through an ensemble of leading climate models. Different views on socioeconomic development and climate change mitigation progress can be actioned via the SSP/RCP scenarios made available, representing varying degrees of climate change risk.

100+
years of forward-looking climate data

570K+
US mortgage backed securities (MBS) covered, including Agency, CRT, Jumbo, and legacy

Global reach
Climate risk data available globally (US MBS currently covered)

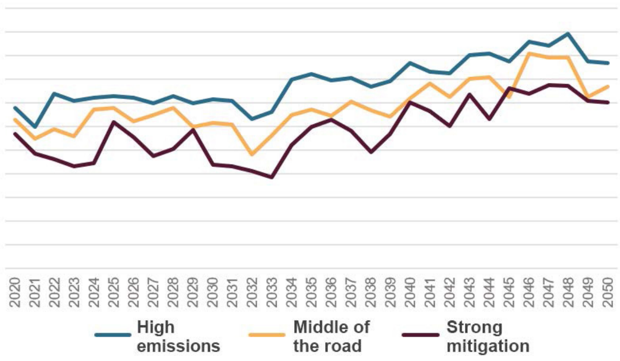


Source: Yield Book. For illustrative purposes only.

Principles of our physical climate risk analytics

Objective	Yield Book's purely quantitative approach enabled by the latest developments in climate science avoids common issues caused by subjective judgements
Collateral-based	Climate exposure is derived at asset level, rolling up to security level to enable seamless comparison and integration
Flexible	The configurable socioeconomic and climate change scenarios allow users to inject their views and act consistently

Deal-level wildfire exposure



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Wide range of use-cases

Climate scenario analysis	Reporting to stakeholders	Fundamental research & risk management	Deal structuring
Enables fulfilment of regulatory requirements and best-in-class risk management.	Automate reports to monitor climate risk credentials on portfolio and provide regular updates to key stakeholders, or as part of a prospectus.	Conduct back-testing and enable deep research and risk mitigation strategies using historical data.	Add climate risk dimensions to obtain the desired deal-level characteristics.

Solves numerous challenges to climate risk integration in MBS workflows

- **Unique third-party physical climate risk analytics for complex asset class:** obtain quantitative insights into physical climate risk indicators of MBS, created in partnership with climate science experts and with the backing of market participants
- **Wide fixed income coverage:** combined with our offering across corporate and sovereigns, clients can access 550+ climate and ESG measures on 1.1 million fixed income securities with over $100 trillion in notional outstanding
- **Integrated and flexible delivery:** get access to trusted data and analytics by connecting to the Yield Book REST API service.

Wildfire exposure (2020)

Source: Yield Book. For illustrative purposes only.

Contact us

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