

# Weather Risk Global

Financial Protection in any Weather.



# Social IMPACT

Wx Risk Global is a part of a larger picture, one of social and environmental IMPACT investing.

IMPACT investing is an exciting and rapidly growing industry powered by investors funding companies with the intention to generate social and environmental impact alongside financial return.

Wx Risk Global is at the forefront of offering aid to millions of people worldwide in the form of OTC Weather Derivatives. These parametric-based financial products can insure victims of various weather-related disasters, such as floods, droughts and crop losses, the ability to receive immediate financial aid when they need it most.



# Areas of Concentration

**Provide services to entities that directly improve the lives of people located in high risk areas**

These include:

- Non-Governmental Organizations (NGO's)
- Charities & Foundations
- Government Agencies
- Developing Nations



# Client Examples

Project	Location
Public Housing Utilities	United States
Emergency Winter Homeless Shelters	United States
Farming Co-op Micro-insurance	Mexico
Sustainable Agriculture	Mumbai, India
Typhoon Protection (World Bank)	Philippines
Hurricane Disaster Relief / Recovery	Haiti & Puerto Rico
Flooding	Phnom Penh, Cambodia
Aquaculture	China

# Why Mission Investing?

- Foundations of all types and sizes make Mission Investments in order to make capital more available to initiatives and enterprises that will create positive benefits for the communities they serve. Because mission investments are repaid, often with a significant rate of return, the funds they generate can be reinvested in other charitable uses, and as a result, stretch the value and expand the impact of limited philanthropic resources for the benefit of all.
- The term “Mission Investment” covers two distinct categories of investments:
  - MRIs are **Market-Rate Investments** that support the mission of the foundation by generating a social or environmental impact, while generating competitive rates of financial return.
  - PRIs are **Program-Related Investments** that are made to primarily achieve a program objective rather than a significant financial return.
    - For private foundations, PRIs are defined by the IRS tax code, and they are eligible to count against the 5% payout that foundations are required to make each year to retain their tax- exempt status.

# Weather Derivatives Application

- Weather Derivatives are purchased by clients to protect themselves from financial losses due to volatile weather conditions
- Clients typically have significant financial exposure to weather conditions
  - Primarily in the form of business risk (revenue and expenses) but **also life and livelihood**
  - This exposure cannot be legally covered by causality insurance
- Suppliers are typically AAA-rated reinsurance companies and hedge funds interested in diversifying their portfolios with weather risk
- The Weather Derivative serves as the financial tool used to transfer the weather risk of the client, to the supplier, in exchange for a Premium



# Our Social **IMPACT** Solution

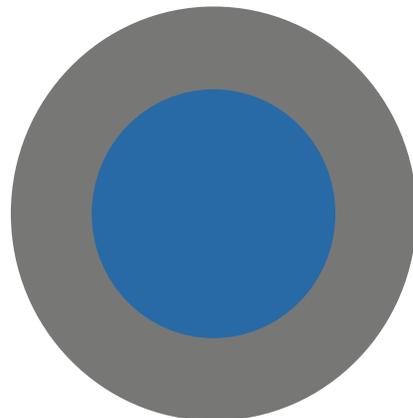
**To utilize the tools we have at our disposal to design a viable weather risk transfer solution for entities that have significant exposure to volatile weather conditions**

This service includes:

- Performing a comprehensive analysis of each financial transaction in order to establish customized risk transfer programs
- Discovering the best prices available for risk transfer within its network of trusted Weather Risk product suppliers
- Monitoring the patterns throughout the transaction period to track the weather risk transfer model's effectiveness for further improvement

# The Weather Risk Market Issue

- Sellers price weather derivative structures based on their individual risk profiles due to:
  - Their willingness to take on risk
  - Competition with other sellers
- As a result, market prices become increasingly misaligned with market risk. This creates:
  - Significant Market Inefficiency
  - Purchasing Opportunities



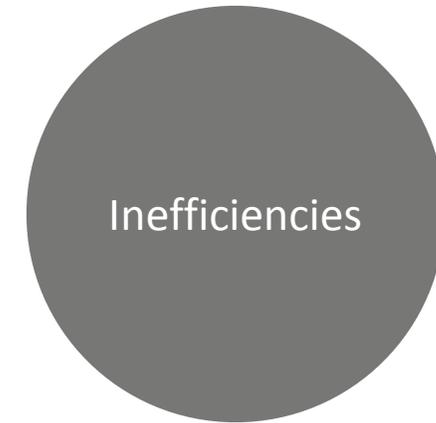
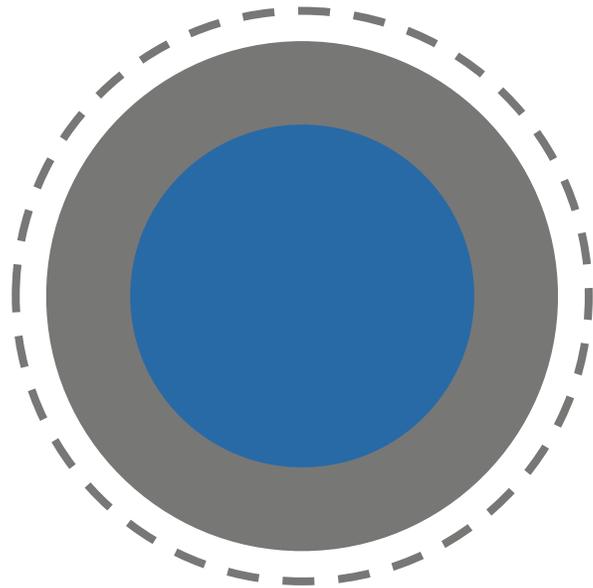
Efficient Market Share



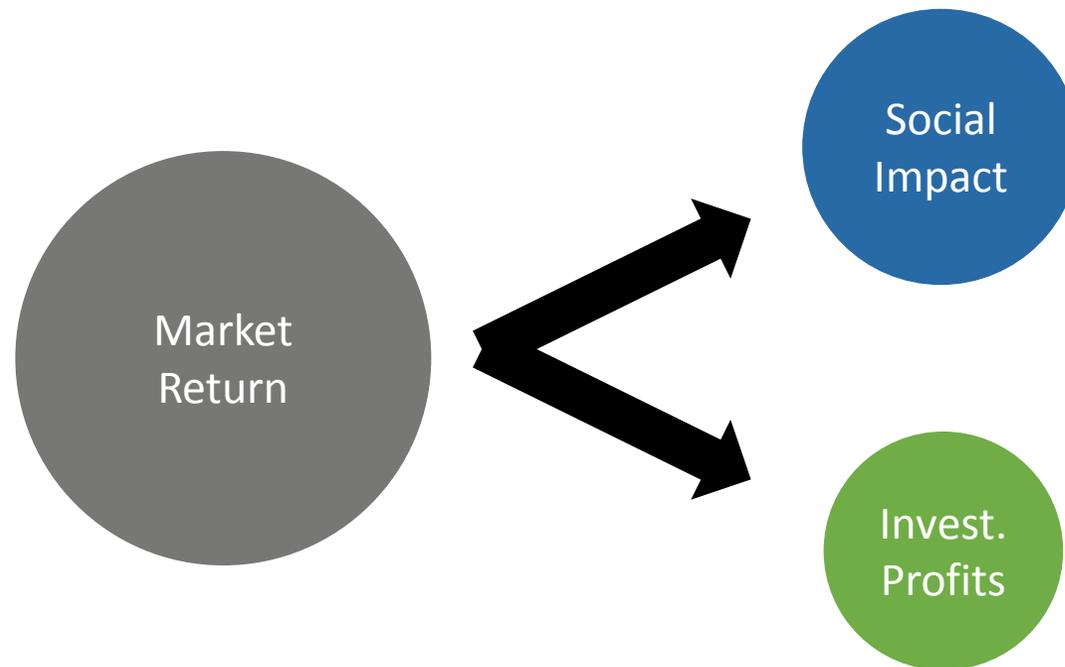
Inefficient Market Share

# Wx Risk Global's Strategy:

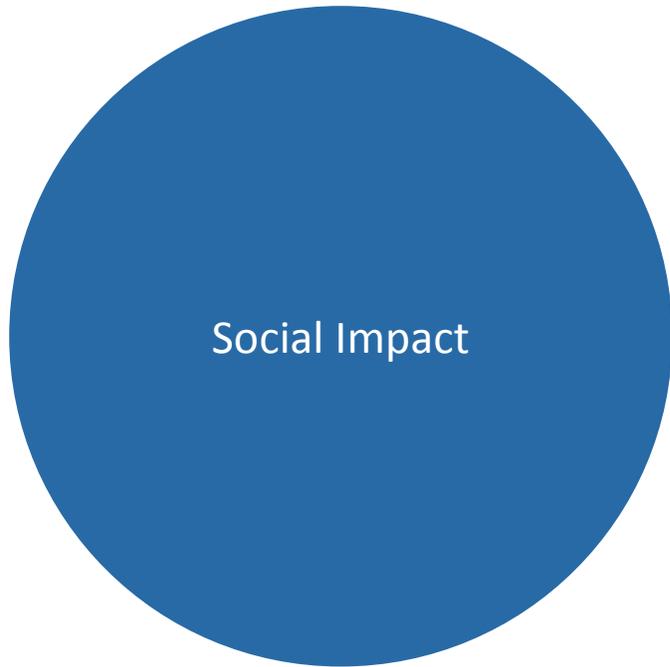
EXTRACT MARKET INEFFICIENCIES



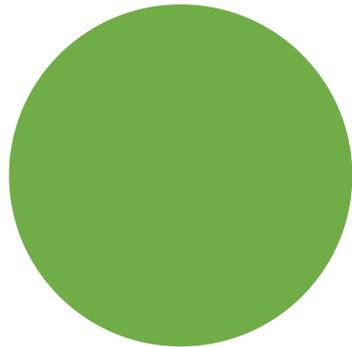
# Then Transforms Return into Efficient-Diluted Risk & Income



# Significant Portion of Total Return goes to **SOCIAL IMPACT** Weather Protection



# Remainder of Total Return Goes to Investors



**Investor  
Profit**

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