

GEMS® Economic Scenario File Service

RISK SOLUTIONS | PRODUCT SHEET

Many companies have experienced firsthand the benefits of robust economic scenarios to their enterprise risk management, capital modeling, and pricing programs. Traditionally organizations have generated these economic scenarios by licensing economic scenario generator (ESG) software. However, Conning now provides a cost-effective, expeditious GEMS® Economic Scenario File Service using its GEMS® Economic Scenario Generator (GEMS®). GEMS® is an award-winning*, state-of-the-art stochastic ESG that offers both real-world and market-consistent risk-neutral functionality, using leading-edge economic models to provide full market risk and asset class coverage, including alternative assets and derivatives.

Conning's GEMS® Economic Scenario File Service is perfect for organizations that already use an ESG but need additional economic scenarios for model risk validation, stress testing, or discrete applications, or for firms who want the benefit of stochastic modeling without licensing ESG software. Regular benchmarking of existing risk models is vital for understanding the materiality of limitations in existing systems, validating the ongoing appropriateness of the methods used, and assessing and quantifying the impact of model risk. These are key elements of an effective risk management process as well as solvency-based regulatory requirements around the world.

Scenario Customization

Conning works with its clients to customize their scenario file requirements:

- » Risk-neutral or real-world calibrations
- » Economies
- » Asset classes
- » Portfolios and trading strategies
- » Economic variables
- » Customized targets or internal views
- » Time steps
- » Delivery frequency
- » Format to interface with any existing software platform

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Benefits of GEMS® Scenario File Service:

- » **Flexibility** – Formats can be easily modified to meet ongoing business requirements
- » **Control** – Results can be updated as frequently as needed
- » **Customization** – Simulations can be adjusted to meet alternative measures (e.g., internal projections, regulatory requirements)
- » **Cost-Effectiveness** – Companies only purchase the scenarios they need, when they are needed. There is no software learning curve or internal infrastructure to maintain
- » **Timeliness** – Delivery takes days, and not months

GEMS® Economies

GEMS® Scenario File Service is available for a wide range of individual countries and economic regions, covering the Eurozone, UK, North America, South America, Asia and the Southern Hemisphere, as well as a range of emerging markets. Each forms part of a fully correlated global ESG and includes full stochastic modeling of the financial markets of that economy.

- » Treasury Bonds
- » Eurozone Sovereign Debt
- » Corporate Bonds
- » Mortgage-Backed & CMOs
- » Municipal Bonds
- » Covered Bonds
- » Multiple Correlated Equity Indices
- » Alternatives (Infrastructure, Private Equity, Hedge Funds, etc.)
- » Real Estate
- » Foreign Exchange
- » Inflation and Real Yields
- » GDP
- » Unemployment
- » Derivatives (e.g., Interest Rate, Equity, Inflation, Foreign Exchange)
- » *Others available on request*

GEMS® Software Documentation Library

GEMS® Economic Scenario File Service clients also receive access to the web-based Conning Software Documentation Library, which provides transparency and validation of the integrity of the scenarios. This is the same supporting documentation provided to GEMS® Economic Scenario Generator software clients.

About Conning

Conning (www.conning.com) is a leading investment management firm with a long history of serving the insurance industry. Conning supports institutional investors, including insurers and pension plans, with investment solutions, risk modeling software, and industry research. Conning's risk management software platform provides deeper insights for decision making, regulatory and rating agency compliance, strategic asset allocation, and capital management. Founded in 1912, Conning has investment centers in Asia, Europe and North America.

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