




Quantitative Risk

Global Expertise

Independent






## The PRS Group: The global standard in country and political risk.

We help our clients assess the impact of country and political risk on their assets in over 140 developed, emerging and frontier markets.

Our forecasts and data are independently back-tested and used in a variety of applied and academic settings.





The world of country and political risk assessment has changed significantly over the last decade, with a plethora of views and approaches that can often obfuscate clear and balanced analyses.

Since 1979, The PRS Group has provided country and political risk forecasts and assessments to its global clientele. The firm's work covers over 140 countries. Its data series extends to the early 1980s. And the firm's products and services continue to grow.

PRS' proprietary methods for forecasting country and political risk are the product of two decades of research at the Maxwell School of Citizenship & Public Affairs, Syracuse University, in conjunction with the US Department of State, the Central Intelligence Agency, other government agencies, and major multinational corporations.

The firm's methods are quant-driven and consistently back-tested by independent sources for accuracy and their relevance to a number of applied and academic settings. Our data is used by practitioners in the private and governmental sectors, and by the world's leading academics.

*Our clientele is global. Our data is original.  
Our independence is assured.*

#### Proven Experience

- Country and political risk forecasting and analysis
- Asset valuation
- Country risk and asset behavior
- Expert testimony and corporate advisory services
- Political risk insurance brokerage

PRS' clients include some of the world's largest buy-side investment firms, multilateral agencies, transnational firms, and universities and think-tanks.

Global asset managers represent a burgeoning segment of the firm's client base, due largely to the expansion of opportunities in emerging and frontier markets and the increasing impact of country and political risk on assets.

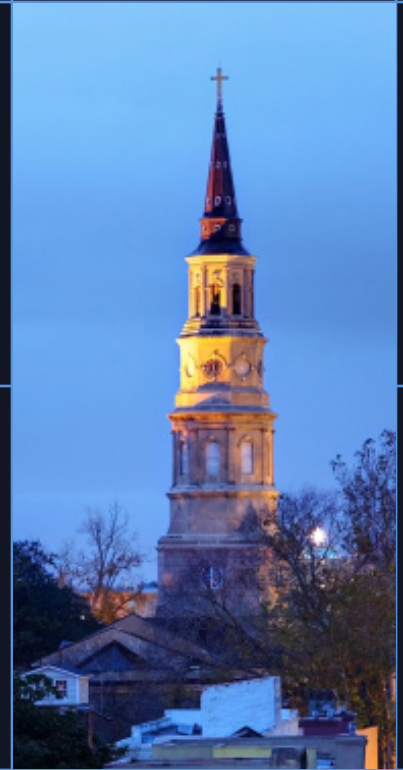
Companies in this industry use our services and products in the context of portfolio and risk management, whether it is to advise commodity and currency trading stratagems or to inform the purchase of political risk insurance to protect their investments against financial losses.

Many of the world's development banks and lending agencies also use PRS and ICRG to help balance their global portfolios.

A range of companies involved in resource extraction use our analysis as part of their longer-term business development planning, and overall risk management process. These firms have global exposures in Africa, Latin America, and Asia.

Academics at universities worldwide use our data as a means of factoring country and political risk into their specific research agenda. Some of our leading academic clients include:

- Harvard
- Columbia
- Dartmouth
- Princeton
- Yale
- Duke
- Stanford



"A big problem with the events data is that they tend to be higher for large countries than for small countries and that it is very difficult to control for country size. Your internal conflict risk data do not suffer from this problem. I am happy to report that, when I looked at the relationship between internal conflict risk and type of democracy, my hypothesis that consensus democracies perform much better than majoritarian democracies was amply confirmed."

Professor Arend Lijphart  
Department of Political Science  
University of California San Diego.



# Products & Services

## Political Risk Services (PRS)

Known globally as the original system for quantifying and rating political and country risk, PRS' Country Reports use Type IV forecasts to illuminate the probability of three regime scenarios over an 18-month and five-year time horizon for 100 countries. The model also examines and rates the risk to the business climate from 11 types of government intervention.

Essential for corporate planning and ensuring longer-term profitability, PRS projections have been tested against foreign investor losses due to political reasons and found to be most accurate.

## International Country Risk Guide (ICRG)

Since its beginning in the early 1980s, ICRG has provided hedge funds, risk managers, and traders with data and insights vital to their exposures and longer-term positions in developed and emerging markets.

### Each issue of ICRG includes:

Over 30 metrics affecting political, economic and financial risk, and roughly 130 risk data points for each of the 140 countries covered, dating to the early 1980s. The risk scores are compiled into a composite risk index and overall country rating. The risks scores are compiled into a composite risk index and overall country rating.

Some 27 statistical tables detailing past and future trends for GDP growth, inflation, the current account, external debt, liquidity, and exchange rate stability.

Unique Type-II forecasts to all risk metrics, posing alternative risk scores over one- and five-year time horizons.

## CountryData Online (CDO)

CDO offers political, economic, financial, and social data for over 140 countries, in most cases back to 1984.

## Political Risk Investor

Offers institutional clients a monthly analysis of the impact of a range of political risk-related events on various asset classes globally.

## Asset Valuation

Select clients use our data and analysis and proprietary financial models to price-in the political risk premium attached to hard assets, notably in the petroleum sector.

## Expert Testimony and Corporate Advisory Services

We provide expert testimony in cases involving asset valuation and political risk, as well as corporate advisory services for firms and governments in all aspects of country and political risk.

## Political Risk Insurance Brokerage

PRS works with its partners to guide clients through the complexities of a global insurance program, from insuring operational risks (asset and liability hazards) to designing political risk mitigation strategies (government intervention and nationalization).





*"Political and country risk assessment becomes particularly meaningful when it is quantified, when it is looked at over time and between jurisdictions, and when it is applied to the behavior and protection of assets. Investors can map and hedge their positions; firms can employ risk management stratagems; and academics have credible data to further their own research agenda."*

Christopher McKee, PhD  
CEO and Owner, The PRS Group, Inc.

## About the Firm and CEO

Established in 1979, The PRS Group is among the earliest commercial providers of political and country risk forecasts. Originally the Political Risk Services division of Frost & Sullivan, Inc. and then of UK-based IBC Group (now known as Informa), the firm was acquired in 2010 by Gavea Emerging Markets Corp., thus broadening its client base and areas of expertise.

Both PRS and Gavea are headed up by Dr Christopher McKee, a former faculty member at the University of British Columbia, who subsequently worked in the private and government sectors, conducting due diligence assessments of limited recourse financing projects in the mining and oil and gas sectors, formulating sovereign debt sustainability models, and constructing micro-financing facilities. Christopher is the author of several publications dealing with international business and risk, and has lived and worked in a range of emerging markets, including Latin America, South East Asia and North Africa.



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*"Devalued currencies, coups, failed economic plans and other financial and political shocks are difficult to predict and can have disastrous consequences for portfolios invested abroad. But there's good news, at least for equity investors...International Country Risk Guide...provides information that has great predictive value with respect to future equity returns around the world."*

Barron's, (1996)

