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ACCELERATE RISK ANALYSIS ACROSS AN INVESTMENT PORTFOLIO

Risk analysis is a key part of investment fund portfolio management. When making decisions to buy or sell holdings, portfolio managers need to understand the complex interplay of risk between companies that depend on each other for business-critical services. However, the process required to gain that insight involves first finding, and then digging through, reams of unstructured data in financial data sources, such as 10-K filings.

Primer's advanced natural language processing (NLP) platform enables portfolio managers and financial analysts to quickly parse thousands of 10-Ks to quickly surface company dependencies and associated risks.

CHALLENGE

One portfolio manager was evaluating an investment in an up and coming technology startup. As part of her risk analysis, she needed to understand all of the publicly traded companies that cite an operational risk if the startup were to experience a service outage. She had no idea how many companies would be impacted and to what degree.

Using her previous manual workflow, she would have to conduct multiple searches across a series of platforms in order to pull up a list of articles that she would then have to read through to find critical information. Every portfolio manager in the industry shares this time-consuming and inefficient manual workflow, which gets in the way of their analysis.

SOLUTION

With Primer, the portfolio manager is now able to analyze thousands of 10-K filings within seconds, dramatically accelerating her risk analysis process. Primer identifies which publicly- traded companies name the startup in the "Risk Factor" section of their respective 10-K, drills down to those that classify the risk in the "Disruption of Operations" category, and returns a list of company names and locations. The Primer solution includes three key components:

- The 10-K Risk Classifier engine identifies all risks noted in a 10-K and assigns them to one of 30 standard categories.
- The Named Entity Recognition (NER) engine pulls information related to a particular company.
- The Primer Explorer dashboard provides an intuitive, flexible interface for users to quickly run queries and view results.

RESULTS

Now, the portfolio manager has the data she needs at her fingertips and more time to extract important insights. She also can run any number of similar queries. For example, when a major technology platform recently went down for several hours, she could quickly understand the impact to her portfolio companies. Similarly, when a power outage in Nevada disrupted a local data center, it was easy to assess the implications across the market. She can also map the data over time to understand longer-term trends.

Primer's 10-K Risk Classifier engine also enables portfolio managers to analyze other risk categories, such as Financial Conditions, Mergers & Acquisitions, Macroeconomics, or Human Resources, so they can ask deeper questions and develop more nuanced insights.

Spend more time exploring key data than finding it.
Request a demo of Primer today.