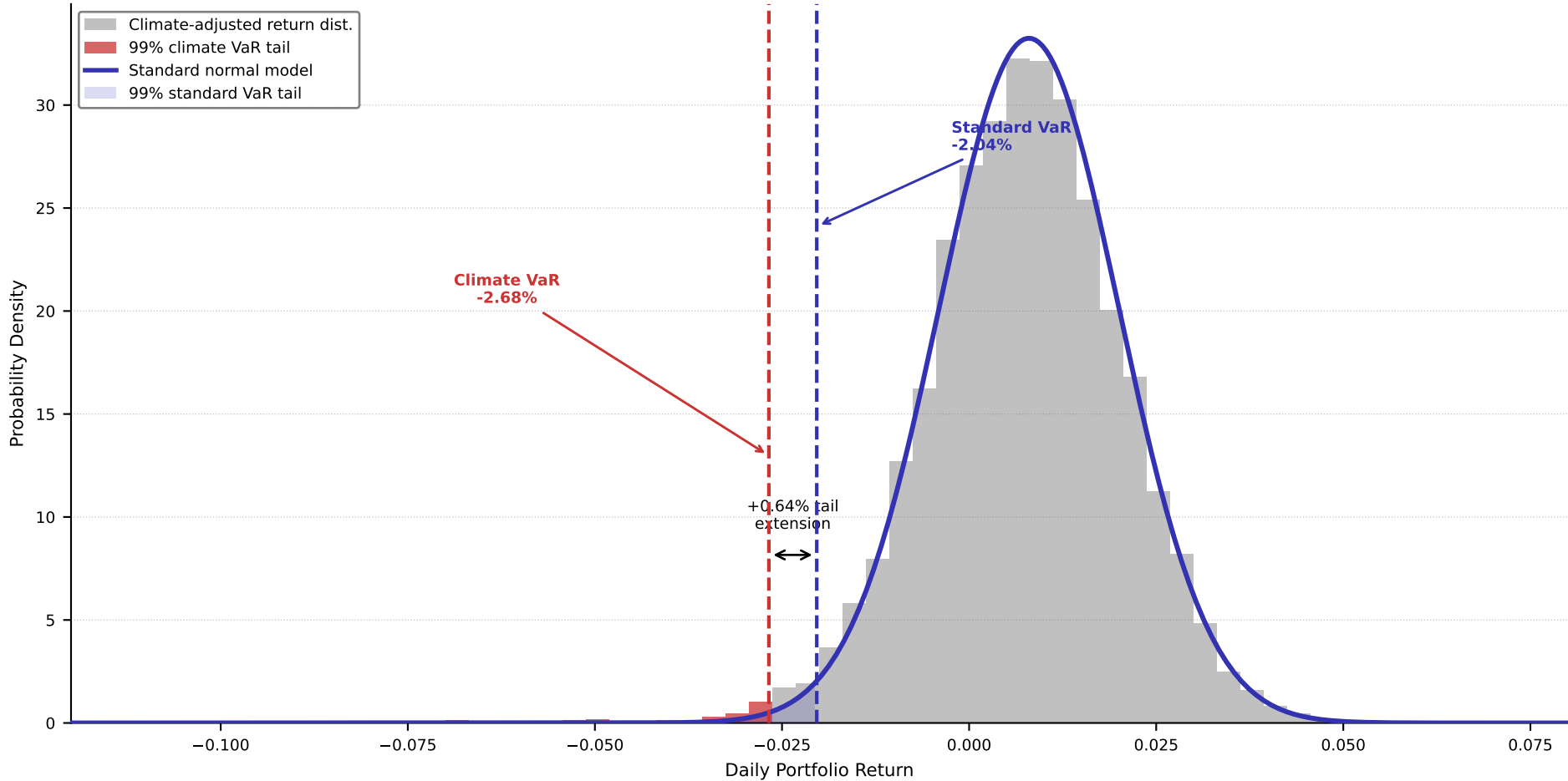


# Climate-Adjusted VaR: Fat Tails from Physical & Transition Risk Shocks

## 3% probability of climate shock events creates significant tail divergence



Illustrative | 8,000 daily return simulations; 3% annual climate shock probability