Risk Profile Set Up

See previous W5 version guide

PURPOSE

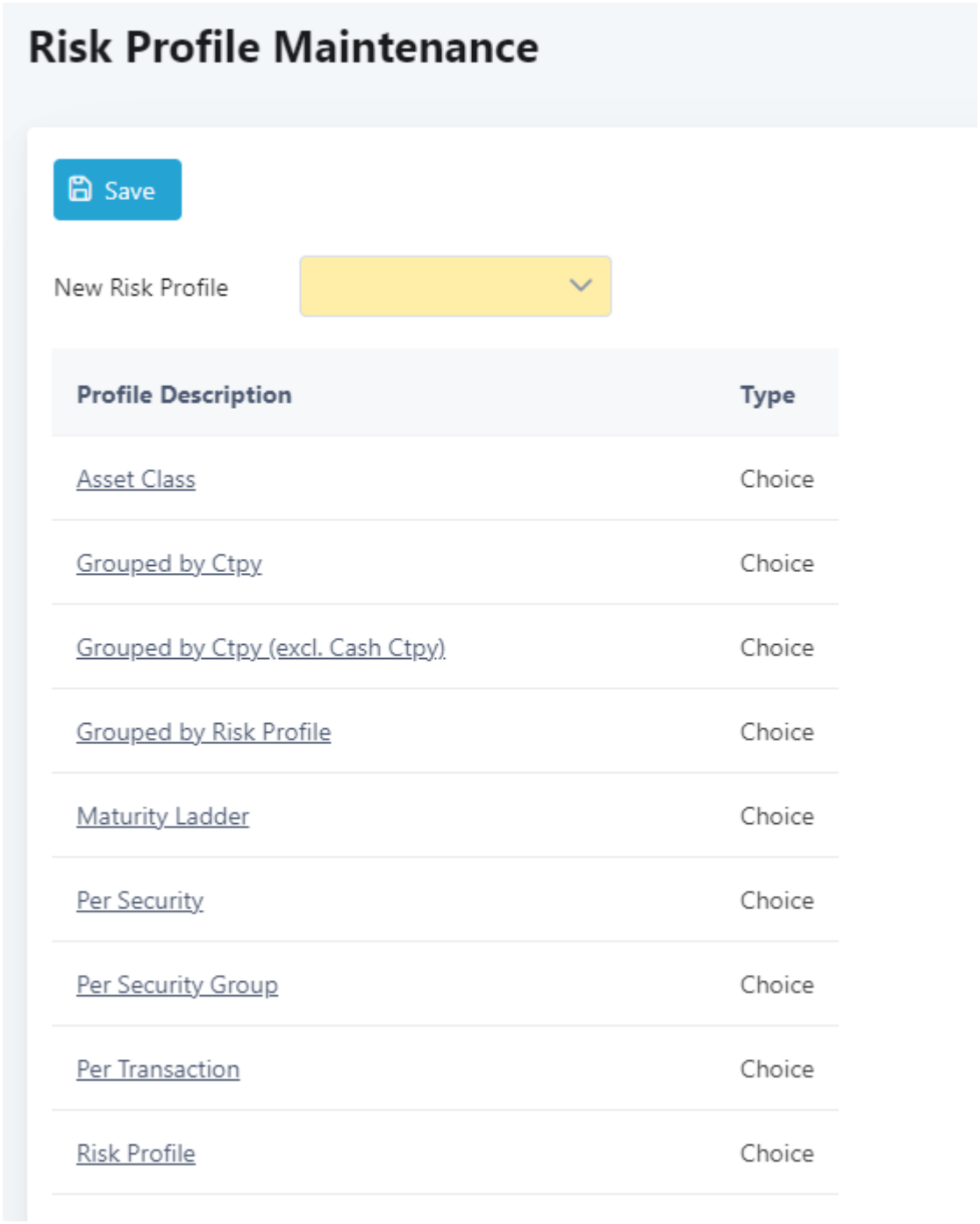
This document shows the detailed procedure of setting up risk profile.

WHY IS THIS IMPORTANT?

This allows risk profiles to be tagged to security or counterparty for investment compliance checking.

PROCEDURE

1. From the main menu, click Set Up > Risk > Risk Profile.



2. There are 4 types of risk profiles:

- Tagged Item
- Choice
- Choice Subset
- Ranking

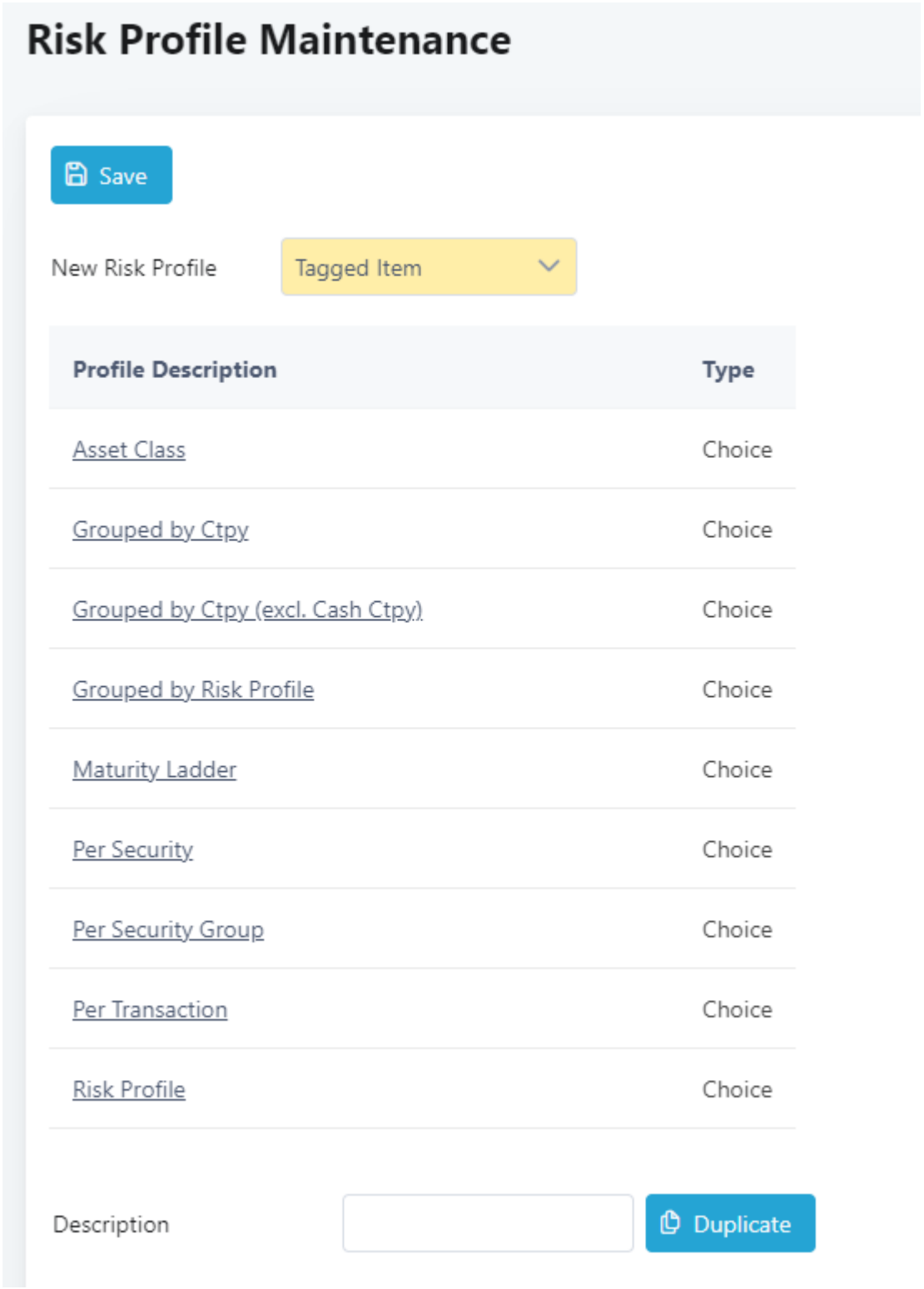
The following explains each risk profile type:

Tagged Item

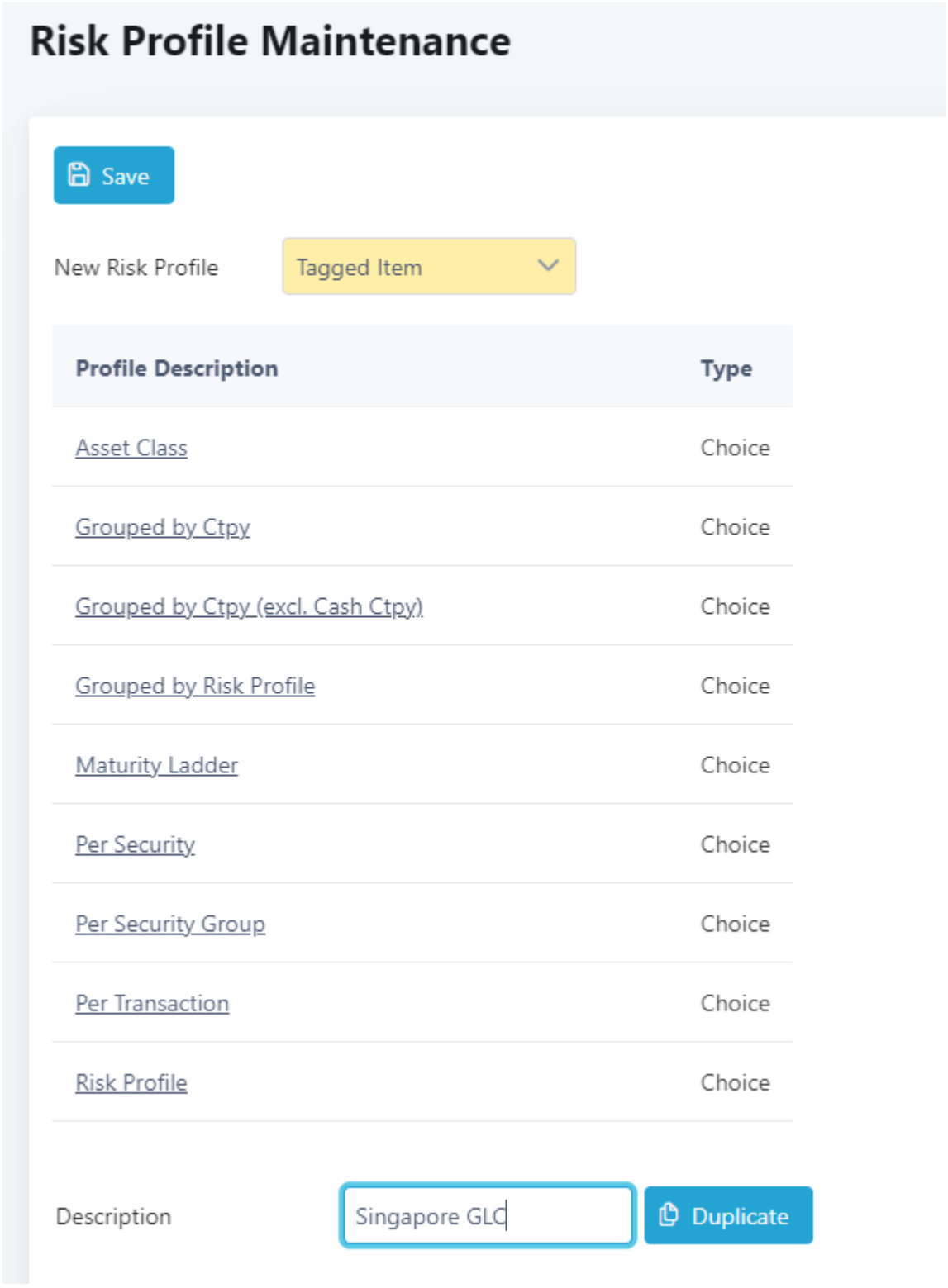


Use tagged item if you wish to tag security or counterparty to an attribute such as “Singapore GLC” i.e. Singapore Government Linked Company.

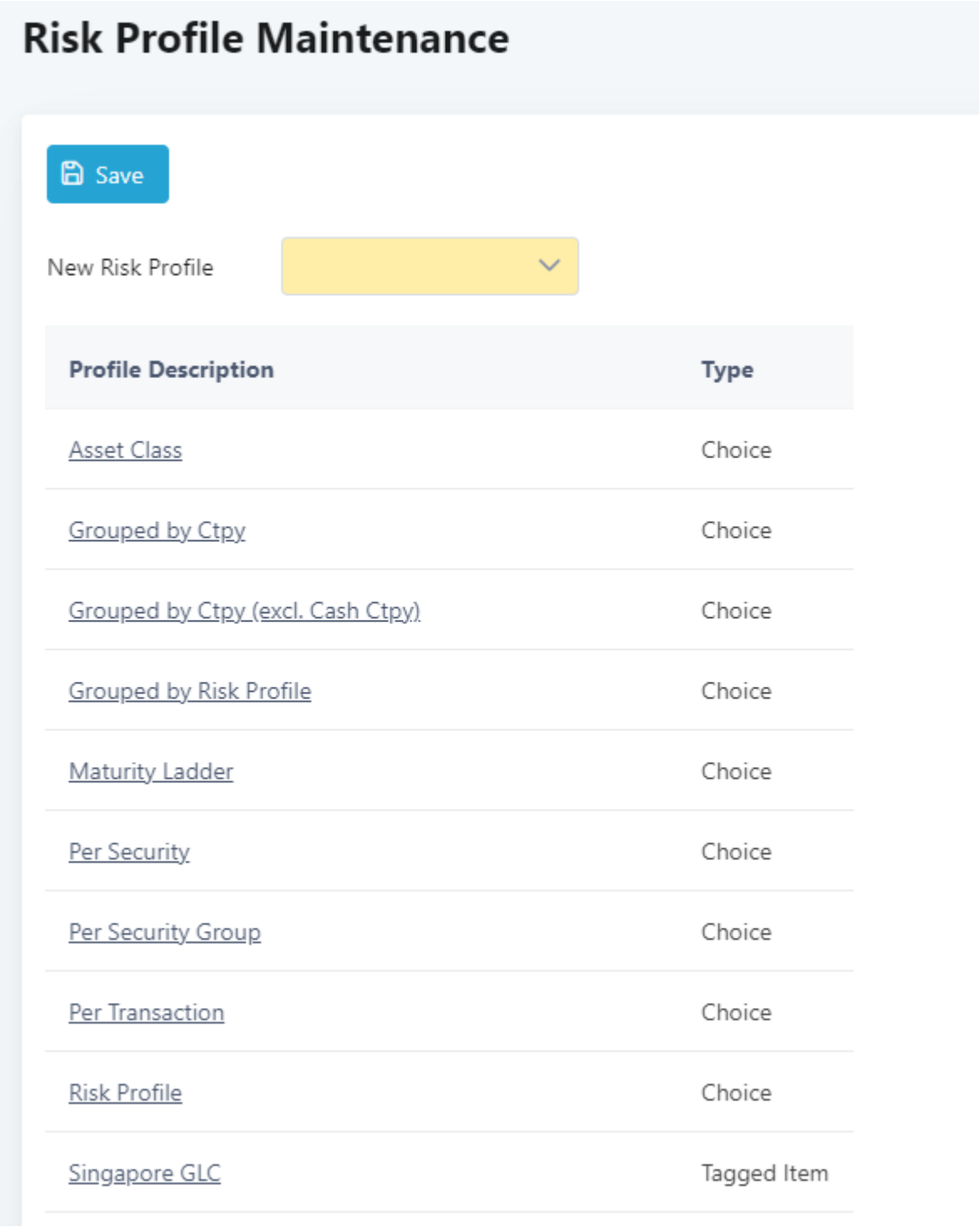
Select New Risk Profile as Tagged Item. The following field display at the bottom of the risk profile listing.



Enter the tagged item description in the Description field.



Click Save. At the prompt, click Yes to confirm.

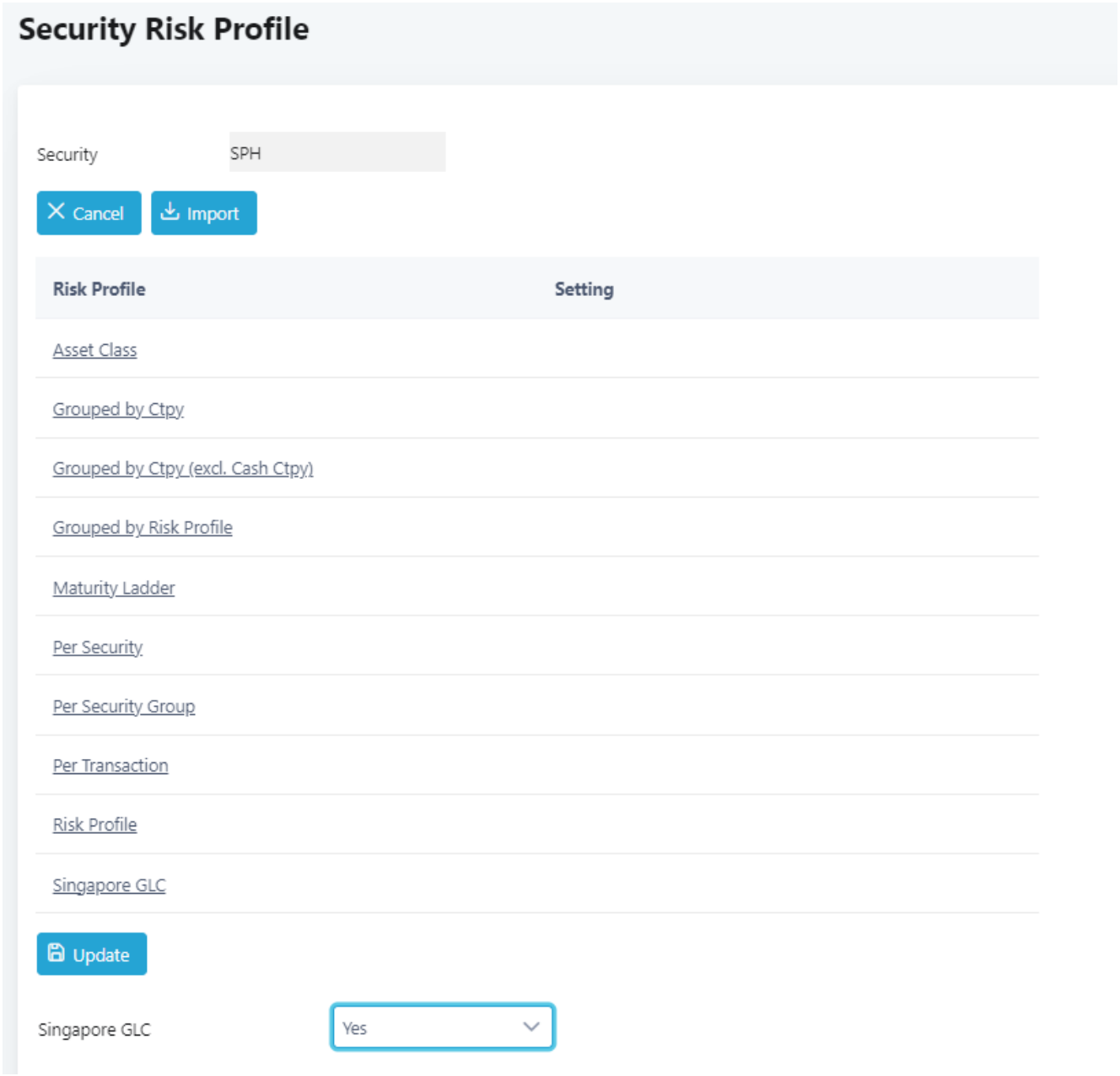


Below shows how SPH is tagged as “Singapore GLC”.

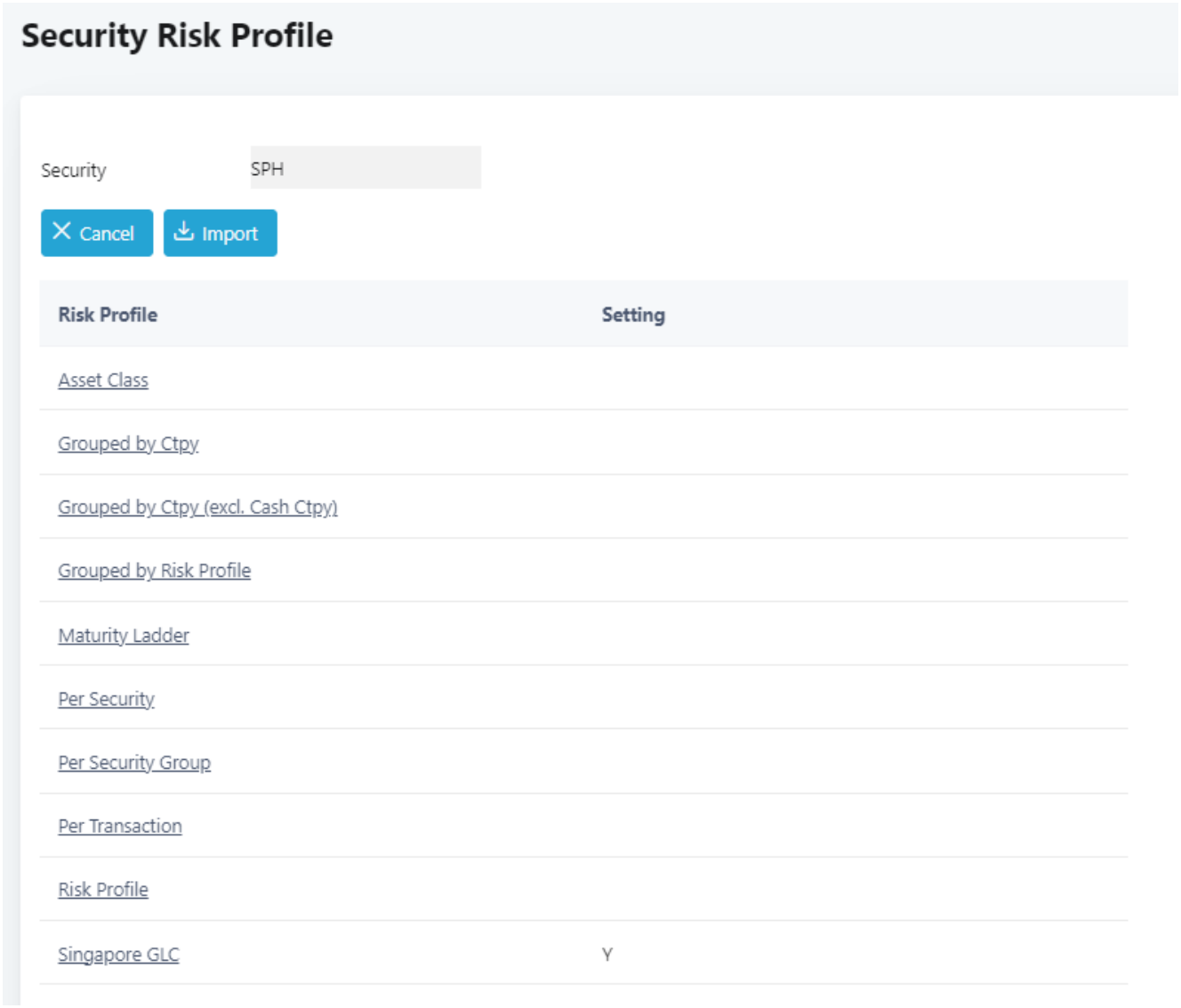
Navigate to Set Up > Static > Securities.

Click on SPH. Click Risk Profile.

Click on the “Singapore GLC” risk profile. The following field will be displayed at the bottom of the risk profile listing.



Select “Yes” and click Update.



Choice

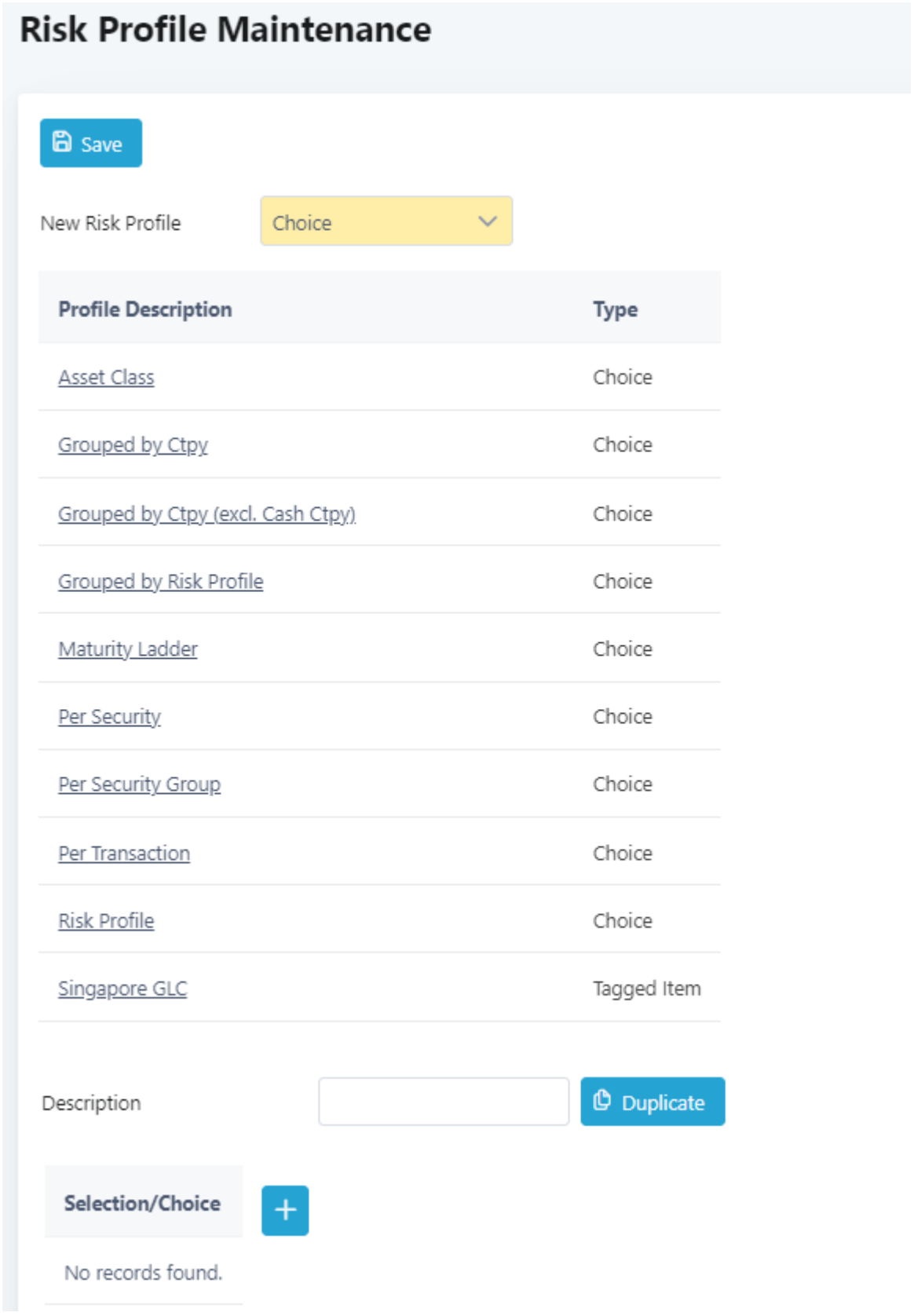
It is possible to create different tagged items to tag to the securities. For example,

Issuer Group: Capitaland

Issuer Group: Sembcorp Industries

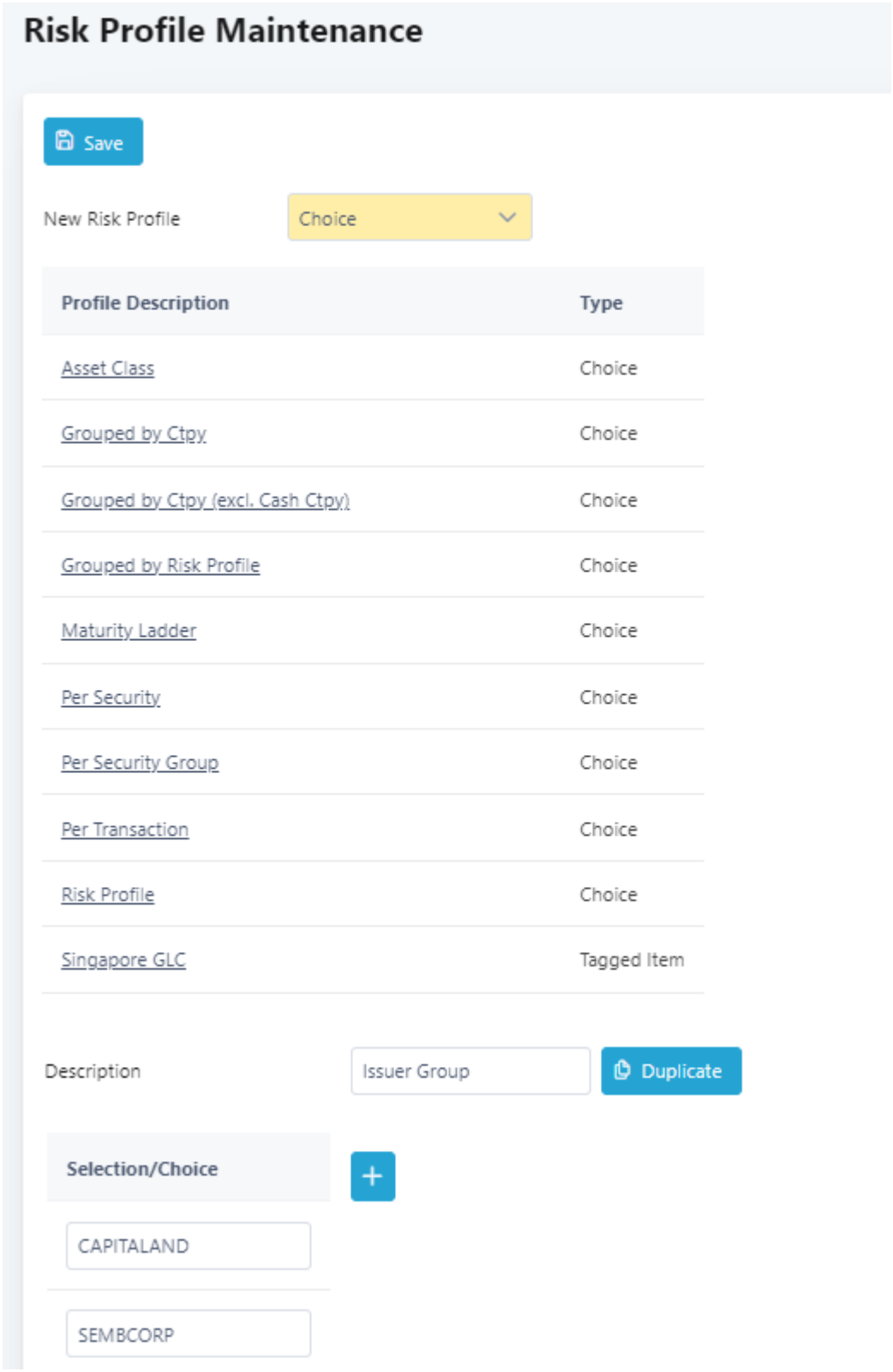
Another way is to use Choice. To do this, you first create a primary dimension of risk ("Issuer Group") with a secondary list of choices (Capitaland, Sembcorp Industries).

Select New Risk Profile as Choice. The following fields display at the bottom of the risk profile listing.

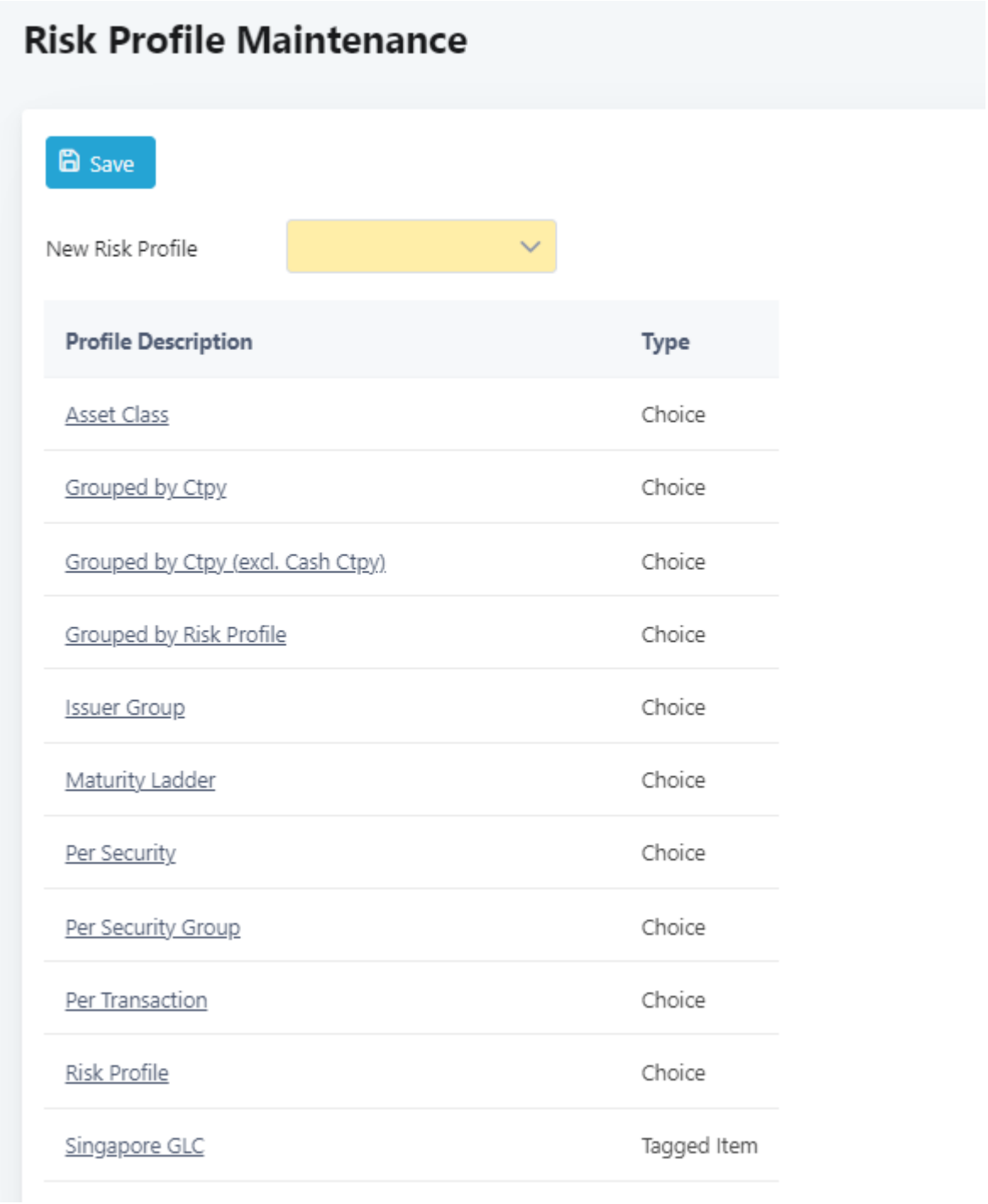


Enter the description of the primary dimension, “Issuer Group”.

Click Add Button to add the choices.



Click Save. At the prompt, click Yes to confirm.



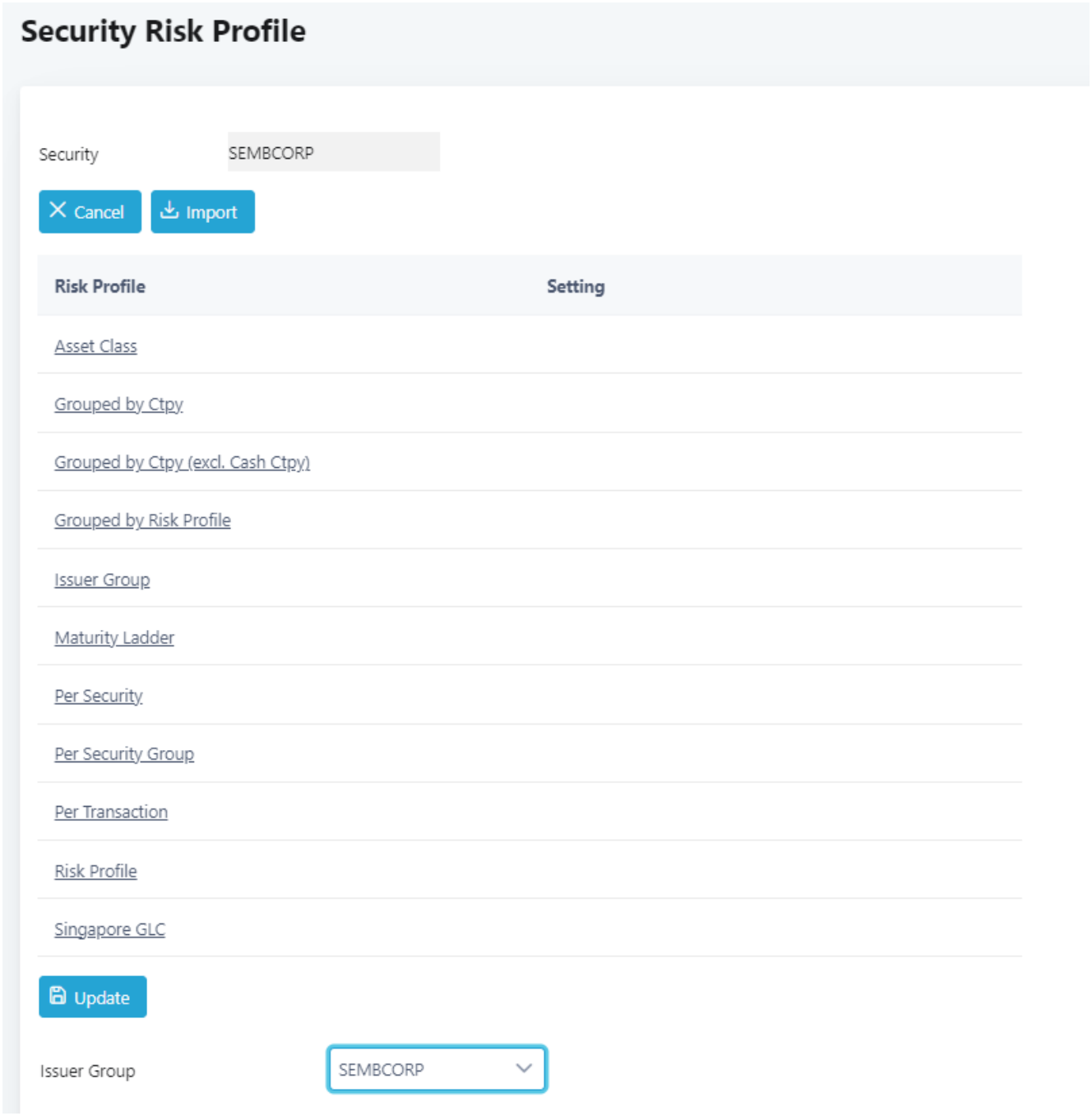
Below shows how SEMBCORP security (Sembcorp Industries) is tagged to the Sembcorp Issuer Group.

Navigate to Set Up > Static > Securities.

Click on SEMBCORP. Click Risk Profile.

Click on the “Issuer Group” risk profile. The following field will be displayed at the bottom of the risk profile listing.

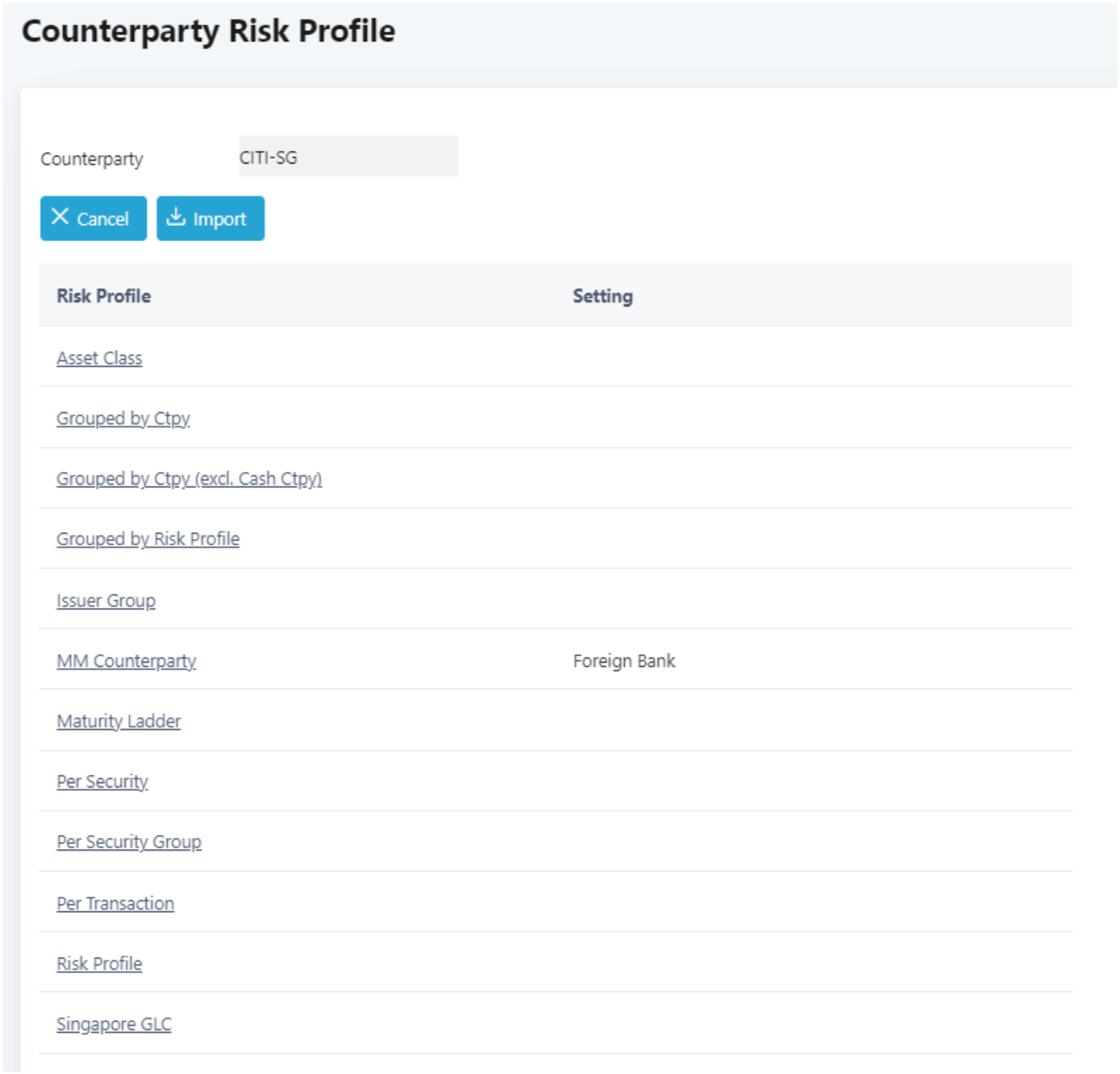
Select SEMBCORP as the Issuer Group.



Click Update.

Note that in the above, Sembcorp Industries can also be tagged as “Singapore GLC”.

Another example of choice is primary dimension of “MM Counterparty” with a secondary list of choices comprising “Local Bank” and “Foreign Bank”. Below is tagging of CITI-SG to a “Foreign Bank”.



Choice Subset

The Choice Subset is an extension of the selection in a Choice Risk Profile to another level. For example, the following Sector and Group information may be tagged to a particular security.

Industry	
Sector	Group
IT	Hardware
	Software
Transport	Airline
	Land

Firstly, a Choice list for Industry Sector comprising the selection of IT and Transport is created.

Select the New Risk Profile as Choice and key in the following.

Risk Profile Maintenance

Save

New Risk Profile: Choice

Profile Description	Type
Asset Class	Choice
Grouped by Ctpy	Choice
Grouped by Ctpy (excl. Cash Ctpy)	Choice
Grouped by Risk Profile	Choice
Issuer Group	Choice
MM Counterparty	Choice
Maturity Ladder	Choice
Per Security	Choice
Per Security Group	Choice
Per Transaction	Choice
Risk Profile	Choice
Singapore GLC	Tagged Item

Description: Sector — Duplicate

Selection/Choice
IT
Transport

Click Save. At the prompt, click Yes to confirm.

Then for the IT industry sector, the additional choice of Hardware and Software is defined as the Industry Group. And for the Transport Industry Sector, Airline and Land is defined as the Industry Group.

Select New Risk Profile as Choice Subset. Enter the description “Group”. Select Parent as “Sector”. Select the Choice as “IT” or “Transport” to maintain the list of choices.

The following is the result.

Risk Profile Maintenance

Save

New Risk Profile: Choice Subset

Profile Description	Type
Asset Class	Choice
Grouped by Ctpy	Choice
Grouped by Ctpy (excl. Cash Ctpy)	Choice
Grouped by Risk Profile	Choice
Issuer Group	Choice
MM Counterparty	Choice
Maturity Ladder	Choice
Per Security	Choice
Per Security Group	Choice
Per Transaction	Choice
Risk Profile	Choice
Sector	Choice
Singapore GLC	Tagged Item

Description: Group — Duplicate

Parent: Sector

Choice: IT

Selection/Choice
Hardware
Software

Risk Profile Maintenance

Save

New Risk Profile

Profile Description	Type
Asset Class	Choice
Group	Choice Subset
Grouped by Ctpy	Choice
Grouped by Ctpy (excl. Cash Ctpy)	Choice
Grouped by Risk Profile	Choice
Issuer Group	Choice
MM Counterparty	Choice
Maturity Ladder	Choice
Per Security	Choice
Per Security Group	Choice
Per Transaction	Choice
Risk Profile	Choice
Sector	Choice
Singapore GLC	Tagged Item

Description: Group — Duplicate

Parent: Sector

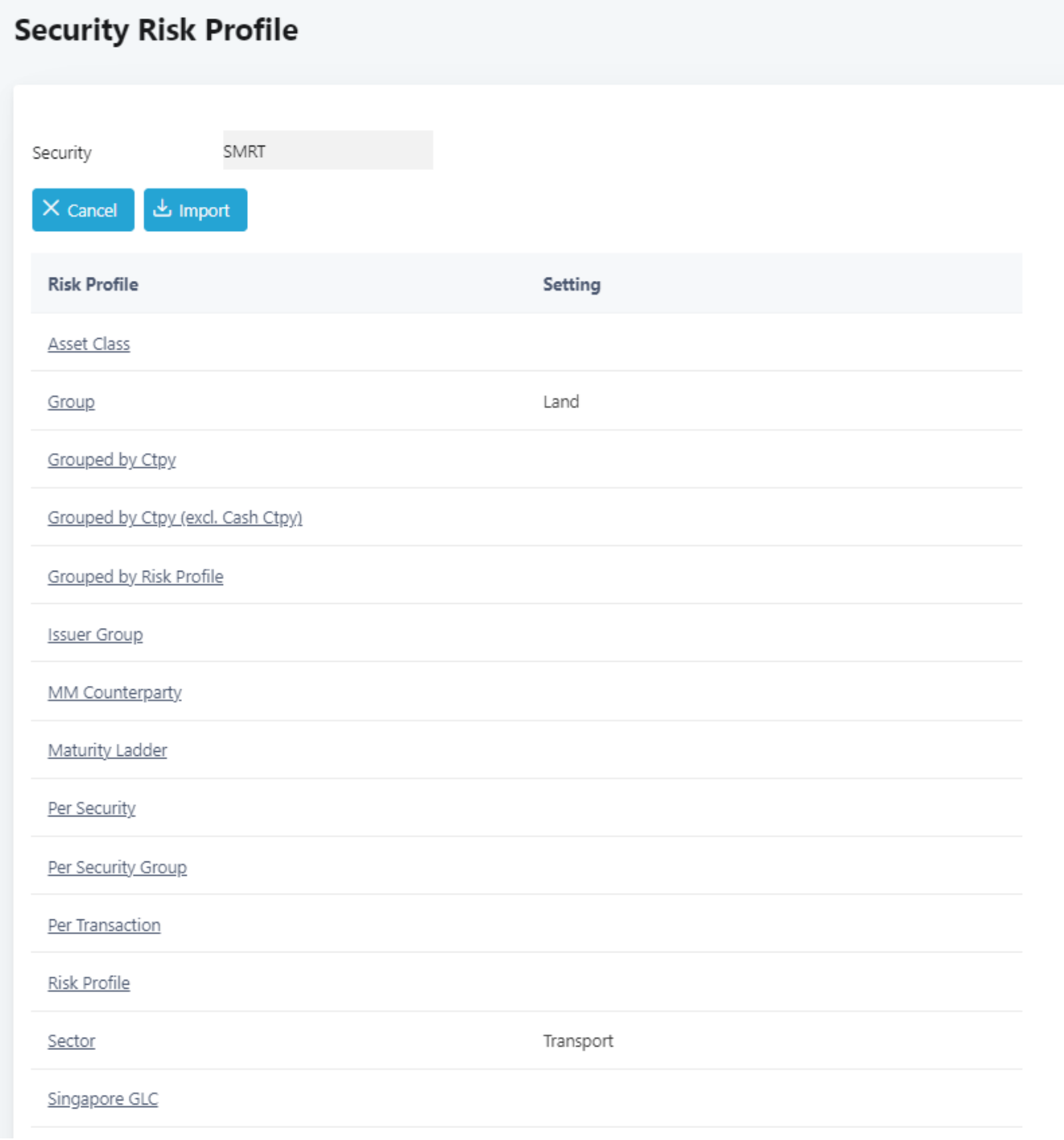
Choice: Transport

Selection/Choice
Airline
Land

Click Save.

At the prompt, click Yes to confirm.

Below shows the tagging of SMRT to Transport Industry Sector and Land Industry Group (Set Up > Static > Securities > Click SMRT > Risk Profile).



The system ensures that the tertiary selection (illustrated as “Land” for SMRT) is consistent with the secondary selection (“Transport”).

Ranking

Use Ranking if you wish to tag security or counterparty to an attribute such as rankings/ ratings. For example, “Moody’s Rating”, “S&P Rating”, etc.

Select New Risk Profile as Ranking and enter the fields as displayed at the bottom of the Risk Profile listing. Add list of choices by clicking the Add button.

Risk Profile Maintenance

Save

New Risk Profile: Ranking

Profile Description	Type
Asset Class	Choice
Group	Choice Subset
Grouped by Ctpy	Choice
Grouped by Ctpy (excl. Cash Ctpy)	Choice
Grouped by Risk Profile	Choice
Issuer Group	Choice
MM Counterparty	Choice
Maturity Ladder	Choice
Per Security	Choice
Per Security Group	Choice
Per Transaction	Choice
Risk Profile	Choice
Sector	Choice
Singapore GLC	Tagged Item

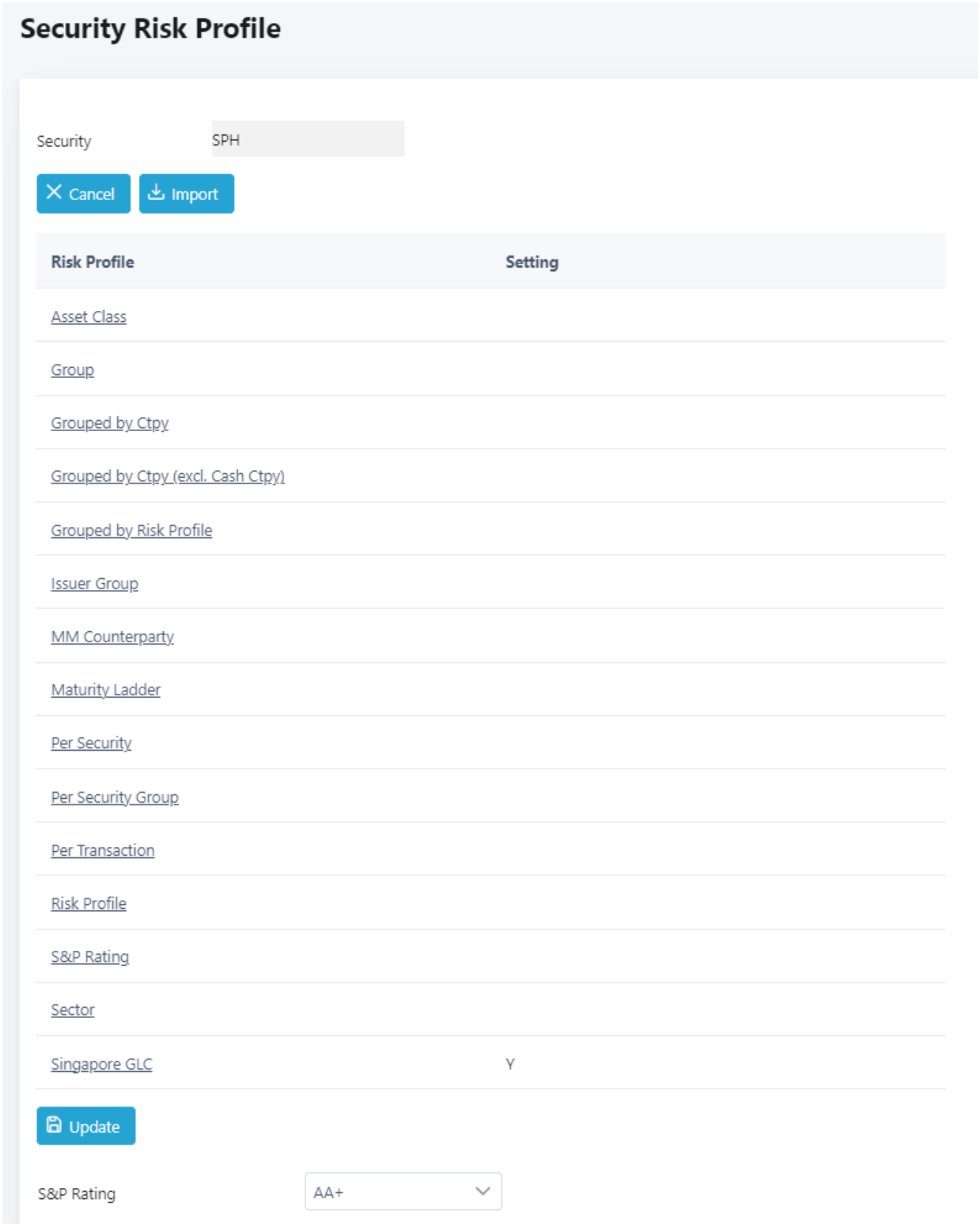
Description: S&P Rating — Duplicate

Selection/Choice
AAA
AA+
AA
AA-

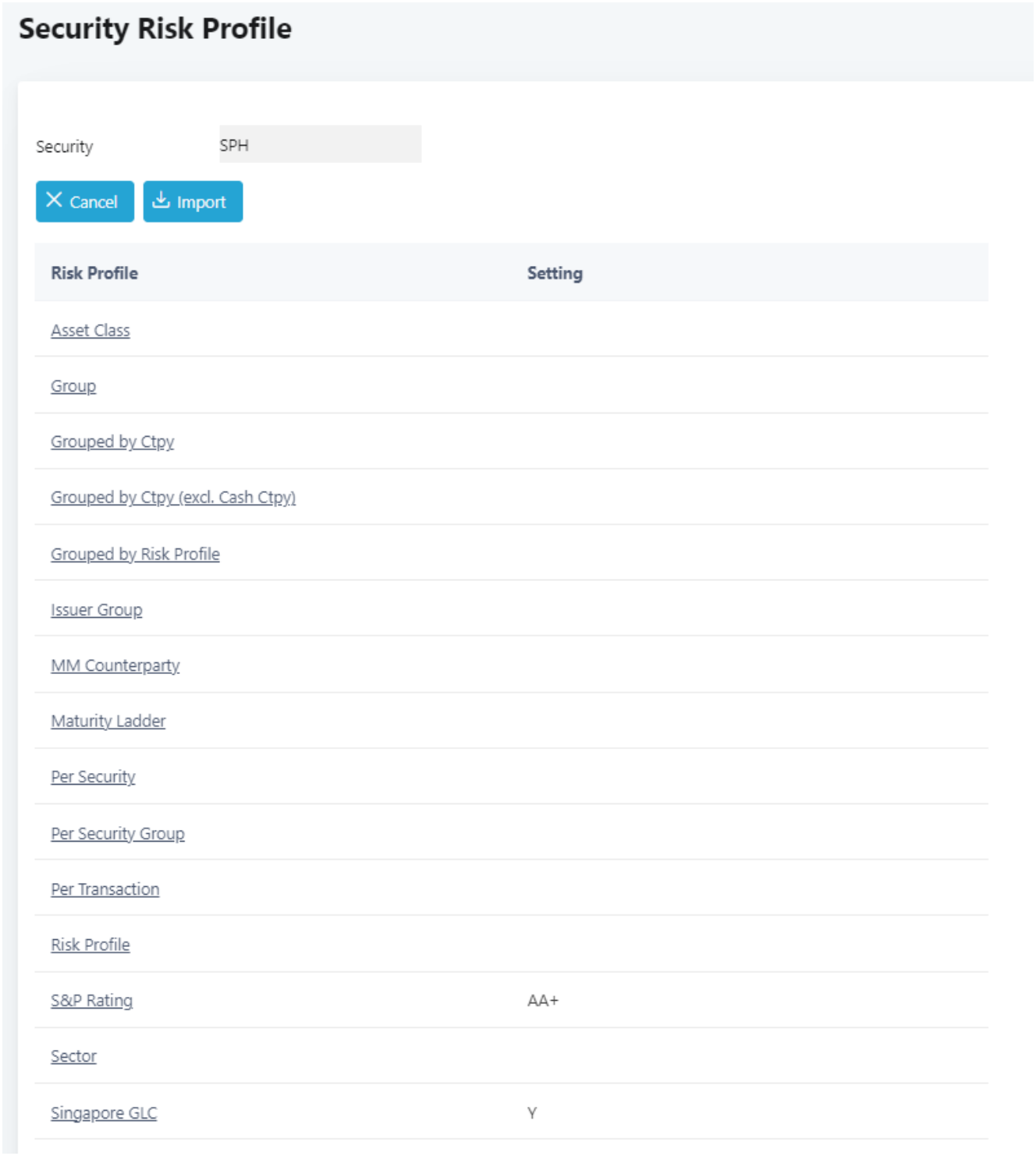
Click Save. At the prompt, click Yes to confirm.

Below shows how SPH is tagged for S&P rating (Set Up > Static > Securities > SPH > Risk Profile).

At the Risk Profile screen, click S&P rating and set the rating in the fields displayed at the bottom of the risk profile listing.



Click Update.



FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

Compliance

Duplicating Risk Profile

CHANGE HISTORY

Date	By	Changes
21-Dec-2016	TS	Created.
4-Jul-2017	TS	Added Duplicating Risk Profile in Related Information.
24-Aug-2018	Silpa	Updated 1, 2.
15-Nov-2019	Lyra	Updated screenshots.
9-Mar-2023	TS	Updated to W6 instructions and screenshots.