

Title	Monitor risk level of investment portfolio
Code	106881L6
Range	Monitoring risk level of investment portfolio for clients. This applies to portfolio with different natures, products and sizes across different segments of private banking clients.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Demonstrate specialized knowledge in risk management for investment portfolio                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Demonstrate specialized knowledge in investment and risk management in order to select the appropriate methods in assessing the risk</li> <li>• Evaluate different types of risks in investment and assess their impacts on client's portfolio</li> </ul> </li> <li>2. Measure and monitor risk exposure of the portfolio                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Analyze the economic and market conditions (e.g. volatility) and measure the aggregate portfolio exposures across different asset classes</li> <li>• Analyze and identify sources of risk (e.g. market risk, interest rate risk) to understand the risk and return of different asset classes</li> <li>• Monitor changes in factors affecting risk and assess impacts on the portfolio</li> <li>• Monitor client's portfolio in order to identify circumstances which may exceed the risk tolerance level of clients</li> </ul> </li> <li>3. Manage risk exposures                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Evaluate and compare different hedging strategies (e.g. currency hedges, insurance), select the most suitable approach to limit downside risk of the portfolio</li> <li>• Minimize risk by actively managing the loans extended to clients for trading and issue margin calls when necessary to ensure that the borrower maintains a sufficient balance</li> <li>• Observe clients' activities that take place in the trading of stock, foreign exchange, precious metal, commodities futures market....., etc, to contain the risk of the bank which include recovery of debit amount from the customers, capital adequacy requirement by the customer, monitor the customer's trading performance and track record</li> <li>• Monitor and alert trading position of clients allowing them to seek adequate remedies to alleviate at-risk situations</li> <li>• Adjust the portfolio allocation to protect clients against losses and align with the investment objectives and risk acceptance limit</li> <li>• Rebalance portfolio as required in managing overall portfolio risk</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Recommendation on risk management strategies to client's portfolio. These should be based on analysis on changes in risk level, economic and market conditions and comparison of different strategies, etc.</li> </ul>
Remark	