



INTEGER WEALTH GLOBAL

Policy Document

Risk Assessment (Update from 2021)

Issue: December 2024

1. Purpose

This policy establishes the framework for identifying, evaluating, and managing risks associated with IWG’s financial services and investment management activities. It ensures consistent application of professional risk assessment methodologies, including the integration of Standard & Poor’s (S&P) and Moody’s Ratings via Integer Wealth Professional Services Ltd (IWPS), to safeguard client assets and maintain regulatory compliance.

2. Scope

This policy applies to:

- All investment funds created and managed by IWG.
- All client projects and investment vehicles assessed by IWPS.
- All jurisdictions in which IWG is registered: Luxembourg, Liechtenstein, Gibraltar, and Cyprus.

3. Governance and Responsibilities

Role	Oversight and approval of risk policy and strategic risk appetite.
Risk Committee	Monitoring risk exposures, reviewing assessments, and escalating critical risks.
IWPS (External Provider)	Conducting professional risk assessments using S&P and Moody’s methodologies and software.
Fund Manager	Ensuring compliance with risk thresholds and integrating risk insights into investment decisions.
Compliance Officer	Ensuring adherence to regulatory requirements and internal controls.



4. Risk Assessment Framework

IWG adopts a multi-tiered risk assessment framework:

4.1 Risk Categories

- Market Risk
- Credit Risk
- Operational Risk
- Liquidity Risk
- Regulatory Risk
- Project-Specific Risk

4.2 Assessment Tools

- Standard & Poor's Ratings Software
- Moody's Analytics and Scoring Tools
- IWPS Proprietary Integration Layer for fund-specific scoring

4.3 Assessment Frequency

- Initial Assessment: Prior to fund launch or project onboarding.
- Periodic Review: Quarterly for active funds; annually for dormant or legacy funds.
- Ad-hoc Review: Triggered by material changes in market conditions or fund structure.

5. IWPS Professional Assessment Process

IWPS conducts risk assessments on behalf of IWG and its client funds using the following procedure:

5.1 Data Collection

- Financial statements, project documentation, market forecasts, and regulatory filings.
- Client-specific investment objectives and fund mandates.

5.2 Rating Integration

- **S&P Ratings:** Applied to assess creditworthiness, fund stability, and market exposure.
- **Moody's Ratings:** Used for project scoring, stress testing, and scenario analysis.

5.3 Software Utilization

- IWPS accesses licensed S&P and Moody's platforms to generate standardized reports.
- Outputs are mapped to IWG's internal risk matrix for decision-making.

5.4 Reporting

- IWPS delivers a comprehensive Risk Assessment Report to IWG's Risk Committee.
- Includes rating scores, risk flags, mitigation recommendations, and compliance notes.



6. Risk Scoring and Decision Thresholds

Risk Score	Interpretation	Action Required
0 to 3	Low risk	Proceed with standard monitoring.
4 to 6	Moderate risk	Implement mitigation strategies and increase review frequency.
7 to 10	High risk	Escalate to Risk Committee; consider fund restructuring or rejection.

7. Review and Escalation Procedure

- **Routine Review:** Conducted by IWPS and submitted to IWG quarterly.
- **Escalation Triggers:**
 - Downgrade in S&P or Moody's rating.
 - Breach of internal risk thresholds.
 - Regulatory alerts or sanctions.
- **Escalation Path:**
 - IWPS → Risk Committee
 - Risk Committee → Board of Directors
 - Board → Strategic Response (e.g., fund suspension, client notification)

8. Documentation and Recordkeeping

- All risk assessments, reports, and decisions are archived for a minimum of 7 years.
- IWPS maintains audit trails of all software-generated ratings and scoring processes.

9. Compliance and Regulatory Alignment

This policy aligns with:

- **EU MiFID II** and **AIFMD** directives.
- Local financial regulations in Luxembourg, Liechtenstein, Gibraltar, and Cyprus.
- International best practices for risk management and fund governance.

10. Policy Review and Updates

- Reviewed annually by the Risk Committee.
- Updates approved by the Board of Directors.
- IWPS notified of any changes affecting assessment procedures.