

## Sample Risk Management Matrix (RMM)



**Harts Financial Solutions Pty Ltd**

(ABN 36 128 904 521)

Authorised Representative (AR 321342)  
& Credit Representative (CR 416309) of

**Harts Financial Group Pty Ltd**

(ABN 80 128 903 962)

Combined Australian Financial Services  
& Credit Licence (AFS&CL 324390)



Nigel Hart BCom, CFP  
Director and Head  
of Advisory Services

**Success in life often leads to financial complexity. Over time, you become connected to a range of advisers - accountants, stockbrokers, bankers and lawyers - each making vital contributions to your wealth management. However, without a well considered, over-arching plan, these inputs can be uncoordinated, leading to inefficiency, turbulence and risk.**

**Harts Financial Solutions starts with a clear strategy to strengthen, grow and protect your financial position. Once we have developed an effective action plan, we become the single, central collaboration point for all inputs in the service of your wealth management.**

**We stand beside you, actively guiding but not controlling your wealth management strategy.**

**We maximise efficiencies, manage risks and ensure seamless collaboration with your other advisers.**

**We apply a robust science to your personal wealth management, giving you the confidence to concentrate on what started building your wealth in the first place.**

**Let Harts Financial Solutions help you take command.**

**Consider us your Private Wealth Pilot.**



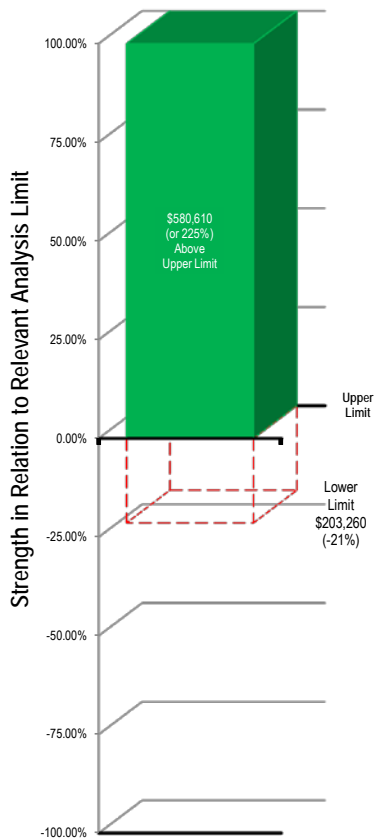
## RMM - Strength of Current Position - Balanced Risk Profile

Each of the charts below provide you with an indication as to the strength of each of the measurable components that comprises your Risk Management Matrix. They provide a measure of the 'strength' of your position relative to the most appropriate benchmark limit. As the strength of your position is measured either above or below this benchmark limit, the x-axis represents the benchmark limit used. A brief overview is provided below for each assessment.

### Cashflow Position

Both an Upper and Lower Benchmark Limit are set for your Cashflow Position. The strength of your Cashflow Position is a measure of the extent your actual Cashflow Position exceeds the Upper Cashflow Limit.

Benchmark Limit used: Upper Cashflow Limit (i.e. \$258,607)



Rating\*:

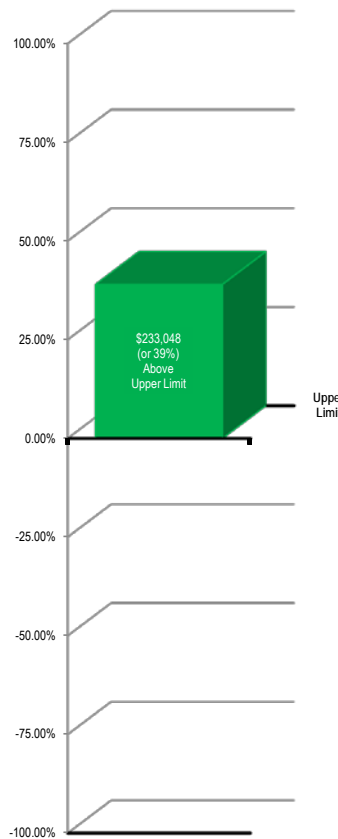
**Strong** ✓

Your Position is \$839,217 (225%) above the Upper Cashflow limit

### Liquidity Position

Both an Upper and Lower Benchmark Limit are set for your Liquidity Position. The strength of your Liquidity Position is a measure of the extent your actual Liquidity Position exceeds the Upper Liquidity Limit.

Benchmark Limit used: Upper Liquidity Limit (i.e. \$597,150)



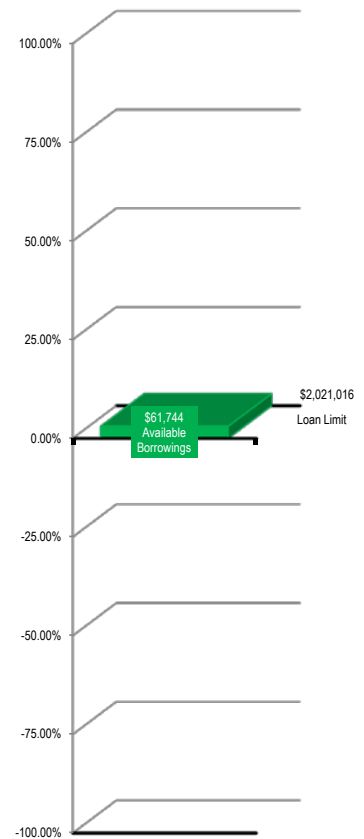
**Strong** ✓

Your Position is \$830,198 (39%) above the Upper Liquidity limit

### Equity Utilisation

Your Maximum Total Loan Limit is used as the sole benchmark. Under-utilised equity will be shown here as a % of your Maximum Total Loan Limit. Overutilised equity will be shown as a negative result (i.e. when your Actual Total Loan limit exceeds the available security).





Benchmark Limit used: Maximum Total Loan Limit (i.e. \$2,021,016)



**Limited Capacity** ✓

Your Position is \$61,744 (3%) underutilised

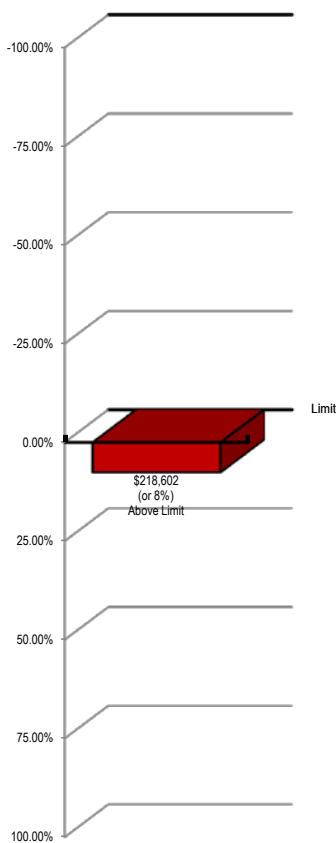
	Values	Variance	Values	Variance	Values	Variance
Upper Limit:	\$258,607	0.00%	\$597,150	0.00%	\$2,021,016	0.00%
Lower Limit:	\$203,260	-21.40%	\$597,150	0.00%	n/a	n/a
Actual Position:	\$839,217	224.51%	\$830,198	39.03%	\$61,744	3.06%
\$ / % Above Primary Limit:	\$580,610	224.51%	\$233,048	39.03%	n/a	n/a
\$ / % Below Primary Limit:	n/a	n/a	n/a	n/a	\$1,959,272	-96.94%
\$ / % Below Secondary Limit:	n/a	n/a	n/a	n/a	n/a	n/a

<b>Rating Scale*:</b>		
Strong		... e.g. exceeds relevant benchmark limit by at least 25%
Satisfactory		... e.g. exceeds relevant benchmark limit by less than 25%
Weak		... e.g. is below the upper benchmark limit but exceeds the lower benchmark limit (if applicable)
Unsatisfactory		... e.g. is below the relevant benchmark limit

### Capital Risk

The suitability of your Capital Risk exposure is shown by the extent that your actual Capital Risk exposure is below your Capital Risk benchmark. The benchmark is set as a % of your Net Worth.

50% of your Net Worth (i.e.\$2,873,738)



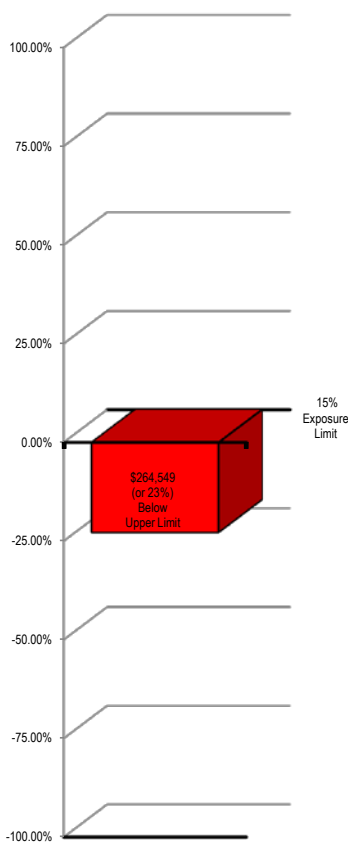
**Over-Exposed** ✘

Your Position is -\$3,092,339 (8%) above 50% of your Net Worth Position

### Defensive Asset Allocation

The suitability of your exposure to Defensive Assets is shown below by the extent that your actual exposure exceeds your benchmark exposure. Your Investment Risk Profile will dictate the benchmark exposure.

(15%) Exposure to Defensive Assets (i.e. \$1,160,696)



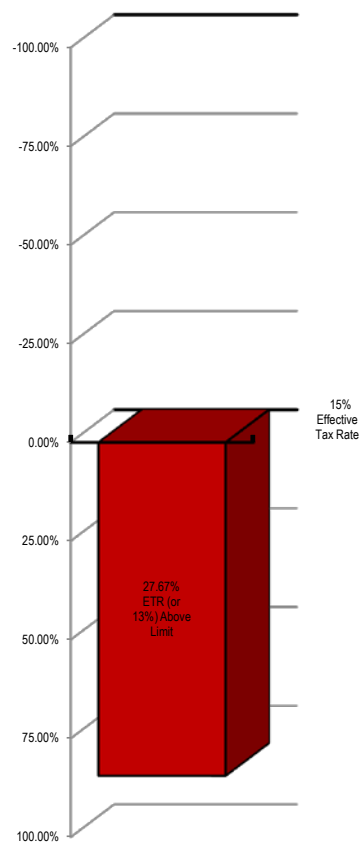
**Under-Exposed** ✘

Your Position is \$896,147 (23%) below the 15% Exposure to Defensive Assets limit

### Effective Tax Rate

The strength of your Effective Tax Rate (ETR) is a measure of how much your actual ETR is below the 15% ETR benchmark. We believe that once you have achieved an ETR of 15% or less, your Tax Position is deemed to be highly efficient.

15% Effective Tax Rate



**Inefficient** ✘

Your Position is 27.67% (13%) above the 15% Effective Tax Rate limit

Values	Variance	Values	Variance	Values	Variance
\$2,873,738	0.00%	\$1,160,696	0.00%	15%	0.00%
n/a	n/a	n/a	n/a	n/a	n/a
\$3,092,339	7.61%	\$896,147	-22.79%	27.67%	12.67%
\$218,602	7.61%	n/a	n/a	\$0	12.67%
n/a	n/a	\$264,549	-22.79%	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a









PO Box 1809, Subiaco WA 6904  
T: 08 6380 7900 F: 08 6380 7950  
E: [info@hartsfinancial.com.au](mailto:info@hartsfinancial.com.au)  
W: [www.hartsfinancial.com.au](http://www.hartsfinancial.com.au)

Harts Financial Solutions Pty Ltd (ACN 128 904 521 ABN 36 128 904 521)  
as an Authorised Representative (AR 321342) & Credit Representative (CR 416309)  
of Harts Financial Group Pty Ltd (ACN 128 903 962 ABN 80 128 903 962)  
holder of a combined Australian Financial Services & Credit License # 324390.