

Welcome to Harbour Insight - the first of what will be many insights into Harbour, its capability, user experiences and analysis.



I hope that you will find Insight interesting, informative and give you new angles and perspectives on the important world of providing client investment advice.

Harbour's already significant best practice lead over attitude-to-risk profiling tools took a further leap forward with the launch of its enhanced KPI & MI reporting. Harbour's advantage, particularly for multi-adviser firms, has never been greater.

Today, firms such as FiveWays Financial Planning, Informed Financial Planning and SAM Wealth enjoy KPI and process stats as well as business intelligence that informs their firms' directors, partners, compliance and operations managers on suitability profile distribution, client advice by adviser, override use by adviser, category and numbers, suitability reviews becoming due and overdue as well as an insight to where pockets of further risk may lie.

In addition, Harbour's reporting also delivers market insight into the firm's client analysing the investment clients landscape by age, adviser, suitability profile and invested amount.

Harbour's KPI & MI Reporting has proved to be an essential tool for the directors and partners of firms using Harbour. It is without a shadow of a doubt the intelligent approach to managing investor suitability.

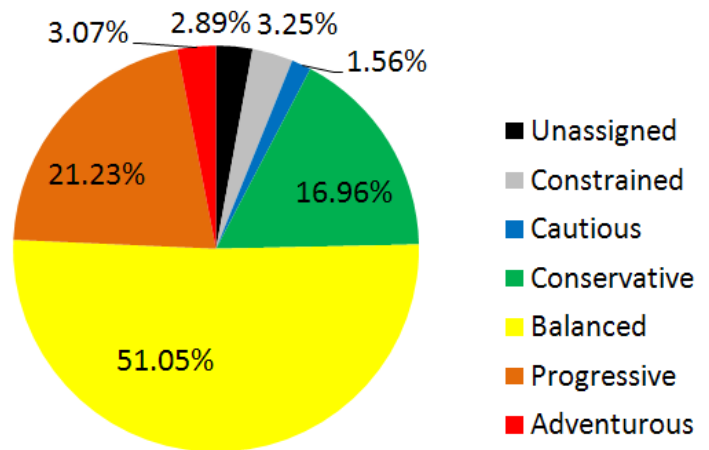
The data and illustrations have been compiled from usage data across all firms using Harbour; it demonstrates the system's ability to inform advisers and fund and investment managers about advice practices as well as client demographics.

If you would like to understand more about the data and its analysis, Harbour's KPI & MI reporting or any other aspect of Harbour, simply call.

David Roberts. Harbour creator and managing director. September 2016

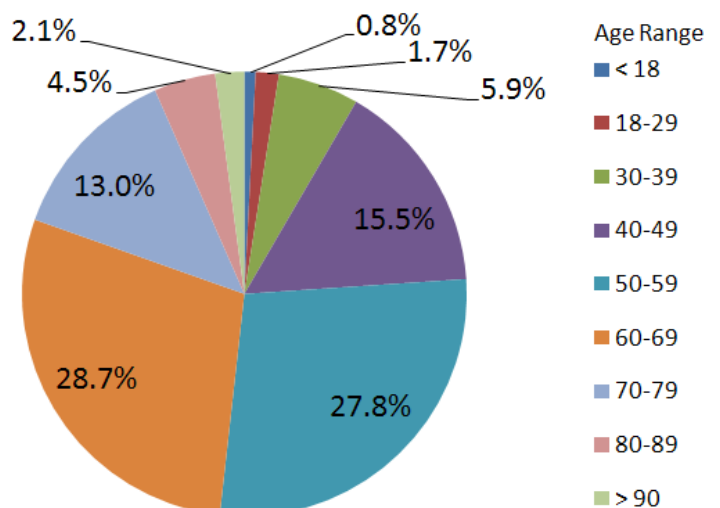
Suitability Profile Distribution

Harbour's suitability distribution is recorded following the assessment and after the adviser has exercised his or her discretion by using Harbour's profile override. The profiles are self explanatory although two may need clarification: *Unassigned* refers to assessments not completed; *Constrained* refers to those clients whose investment timescales, return expectations, capacity for loss or fear of loss are such that they should consider cash-based saving over investing.



Investor Distribution by Age

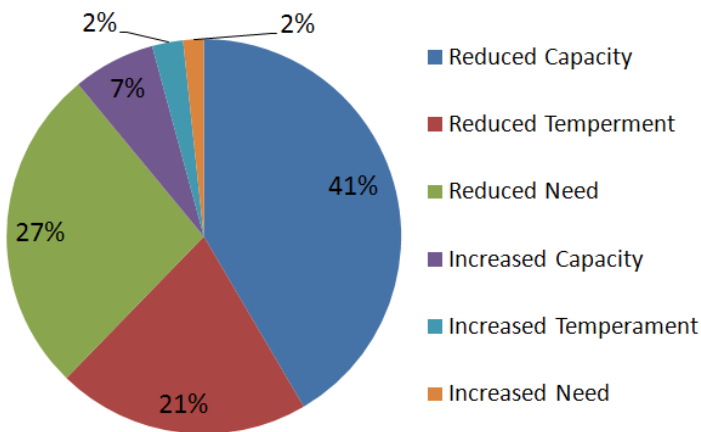
Understanding the investor distribution by age is critically important to firms seeking long term viability or an exit route for the owners. Firms achieving little progress in developing clients within the 20 – 40 age range are facing a future demographic crisis.



Adviser Override Use by Category

One significant difference in approach between Harbour and ATR tools is the recognition that a system must support rather than reduce the adviser to the role of a box-ticker. With this and other regulatory weaknesses identified in adviser practice and exposed by the FCA's second thematic into investor suitability, Harbour's process and its Adviser Override function allows professionals to take control.

Harbour's *Adviser Override* has been used in 21.4% of completed assessments. The following graph shows the Adviser Override use by category. These show those profiles that have been downgraded for risk as well upgraded for greater risk tolerance.

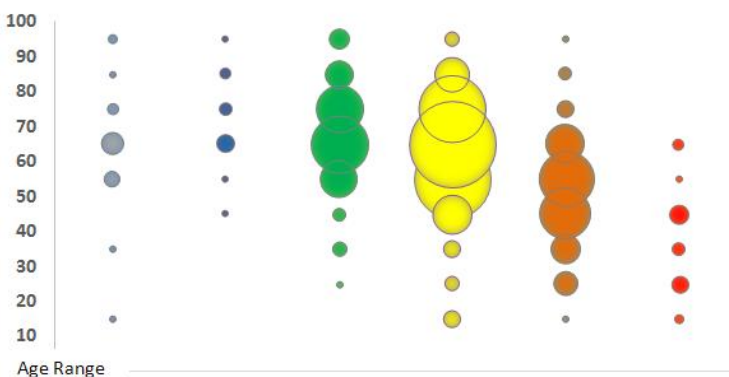


Suitability Profile Concentration by Age

The relationship between investor age ranges and suitability profiles is understood: wealth accumulation peaks with the highest concentrations in the 60 - 80 age range. This group moves from accumulation to de-accumulation through income and drawdown needs and well as for reasons of inheritance and tax planning and, more particularly, diminishing need for risk.

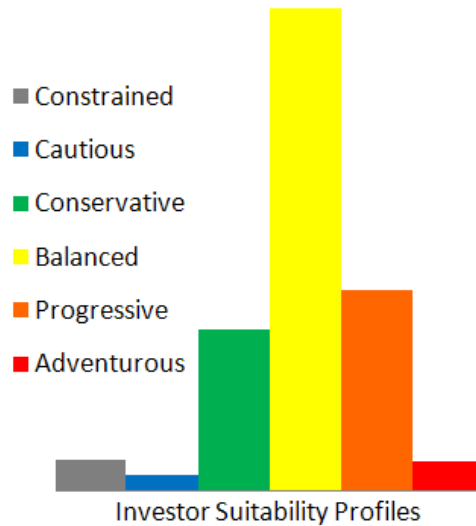
Conversely, those in their early and middle career years have longer investment timescales that enables these investors to ride out medium term market volatility.

● Constrained ● Cautious ● Conservative ● Balanced ● Progressive ● Adventurous



Profile Distribution Bell Curve

The bell curve illustration follows a similar pattern as those shown by ATR risk profilers but with one notable exception. Harbour records the assessments for potential investors that are found to be unsuitable for reasons of return expectations, timescales, capacity for loss or risk temperament.

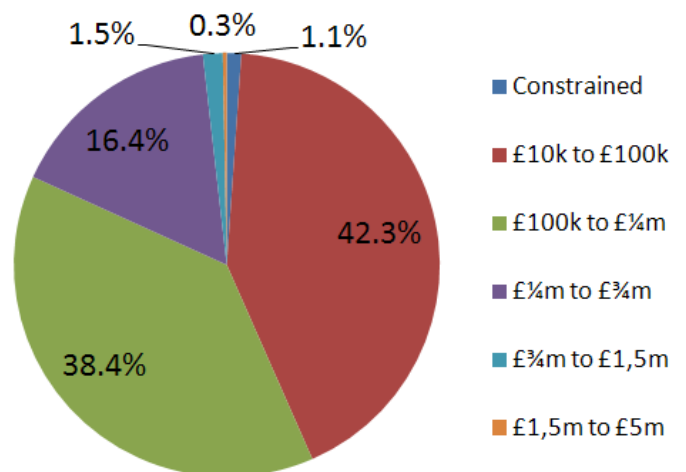


The graph leads with those assessed and profiled as constrained.

Unsurprisingly, investors categorised as *Balanced* comprise the largest group.

Investor Distribution by Invested Amount

Understanding the demography of investors by the size of their investments is important information that should be accessible quickly and easily by firms' owners and managers.



Harbour – so much more powerful than simple ATR

In comparison with ATR tools, Harbour addresses investor suitability as set out in the FCA's COBS9 and SYSC3 codes of business. For advisers, it is simple and straightforward to use; for CF1s, CF4s and CF10s Harbour offers much more. Inbuilt from inception, Harbour's process management and combined KPI & MI reporting helps financial planning become more efficient, more effective and customer focussed.