

# Aptitude

Apt Wealth Partners – Quarterly News

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Live for today, plan for tomorrow

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Aptitude



# Strategic tax planning beyond the basics



The final June push to maximise deductions before the end of the financial year is familiar to many. And yes, this can reduce your short-term tax bill. But over the long term, it rarely produces the strongest outcomes.

The most effective tax strategies aren't reactive. They are designed years in advance and embedded within a broader financial plan. When tax decisions are considered alongside investment strategy, retirement planning and family structures, they become part of the architecture that supports long-term wealth creation.

## From deductions to design

Deductions are the most visible part of tax planning, but they are only a small piece of the puzzle.

Much of the real impact comes from structural decisions. The way investments are owned – personally, through a trust or inside superannuation – determines how income and capital gains will be taxed for years to come.

These choices influence who pays tax, at what rate and when.

Getting the structure right early can avoid the need to move assets later, which often creates unnecessary tax consequences. In many cases, the goal is simply to ensure that investments sit in the structure that makes the most sense for the household over the long term.

## Bringing income forward or deferring it

Timing income can be another useful planning lever, although it is often approached with a simple rule: defer it if possible.

In reality, the right approach depends on what the next few years look like. Someone expecting a sharp rise in income may prefer to recognise income earlier while they are in a lower tax bracket. A business owner anticipating a sale or a professional approaching a higher-earning phase may fall into this category.

In other situations, deferring income can make sense. A lower-income year might be coming up because of parental leave, a career break or a transition toward retirement. Shifting certain payments into that period can change the overall tax outcome.

Even relatively routine items – bonuses, dividends or long service leave payouts – can sometimes be timed across financial years. The important part is understanding how this year's decision interacts with the years ahead.

## Using super more deliberately

Superannuation is often treated as a separate pool of retirement savings. In practice, it can play a larger role in tax planning across different stages of life.

Carry-forward concessional contributions are one example. If previous contribution caps haven't been fully used, higher contributions may be possible in later years. This can be particularly useful when income spikes, such as during a strong business year or after a large bonus.

Contribution timing also matters. Whether funds enter super through salary sacrifice, employer contributions or personal deductible contributions can affect both tax and cash flow.

For couples, there can also be value in balancing super between partners over time. Uneven balances can create limitations later, particularly once retirement income streams begin or estate planning becomes a priority.

## Planning trust distributions

For families using discretionary trusts, the flexibility to distribute income is one of their key advantages.

Trust income can often be directed to beneficiaries who are in lower tax brackets, which may include adult children or other family members. Where distributions cannot be made efficiently within the family group, structures such as bucket companies may sometimes be considered.

However, trust planning tends to work best when it is thought about well before the end of the financial year. Decisions about beneficiaries, governance and additional entities can have implications not just for tax, but also for asset protection and the longer-term management of family wealth.



## Thinking ahead with capital gains

Capital gains tax is frequently triggered by events such as selling an investment property, a share portfolio or a business interest. By the time the transaction happens, many of the planning opportunities have already passed.

When a sale is anticipated earlier, there is usually more flexibility. An investor may choose to stagger asset sales across financial years, use existing capital losses to offset gains or coordinate a gain with superannuation contributions in the same year.

The holding period can also matter. Assets held for more than 12 months may qualify for the capital gains tax discount, which reduces the taxable gain.

In practice, the most useful capital gains planning often happens before the asset is sold, not after.

## Connecting tax with the broader plan

Tax decisions rarely sit in isolation. They interact with other parts of a financial plan – investment strategy, retirement timing, liquidity needs and estate planning.

For example, the structure used to hold investments can affect access to funds, control of assets and how wealth is eventually transferred to the next generation. A structure that reduces tax in the short term may create limitations later if flexibility is lost.

This is where coordination between advisers becomes important. Accountants, financial advisers and other specialists often bring different perspectives to the same decision. When those perspectives are aligned, the overall strategy tends to be clearer.

## Looking beyond the end of the financial year

Income levels change. Investment portfolios evolve. Family structures shift and legislation moves with them.

Tax strategy needs to keep pace with those changes. Reviewing structures and planning opportunities regularly helps ensure that decisions made years ago still make sense today.

As financial complexity grows, tax planning becomes less about the final weeks of June and more about how financial decisions fit together over time. At Apt, we approach tax planning as part of a broader, forward-looking strategy designed to support sustainable wealth creation.

# The new definition of financial security



For a long time, financial security meant one thing: having enough. Enough in the bank, enough equity in the home, enough tucked away in super. If the numbers looked strong on paper, most people felt comfortable. But rising living costs, sustained higher interest rates and ongoing market volatility have exposed a gap between feeling secure and actually being secure.

Financial security in 2026 isn't about the size of your asset base alone – it's about how resilient your position is when conditions shift. It's about flexibility, liquidity and protection. And for many, that demands a genuine rethink.

## Why the old model falls short

Australians have always been told that property is the best investment they can make. And for many, it has been. But you can't sell a bathroom.

When income isn't enough to cover living costs in retirement and property yields are often surprisingly low, the only option is to sell the entire asset. That triggers the full capital gain in one hit, with no way to spread it across multiple years. And if cash flow has already tightened, you don't get to choose the timing.

This isn't about pessimism. It's about preparation. True financial security today means being able to absorb higher costs, manage debt under pressure and protect what you've built against risks that are easy to overlook.



## The five pillars of modern financial security

### 1. Liquidity and cash buffers

Property is a great investment, but if your entire portfolio is property, retirement is going to be stressful. There will be years where a big maintenance expense eats into your rental income, and without a buffer, there's nothing left.

A liquid share portfolio or accessible cash reserves give you flexibility — if you need ten thousand dollars, you can access exactly that amount without dismantling an entire asset. Cash buffers are one of the biggest contributors to people being able to sleep at night in retirement.

### 2. Smarter debt management

The era of ultra-low rates reshaped how people thought about debt. Borrowing was cheap, leverage felt comfortable and paying it down wasn't always front of mind. That environment has shifted.

For those approaching retirement, the goal should be clear: eliminate debt before you get there. Most people feel significantly more secure when they're not servicing a loan in retirement, even if it's attached to an income-producing asset.

For those still in the accumulation phase, debt can be a powerful tool – borrowing against equity and investing where returns exceed the interest cost, with the benefit of tax-deductible interest. Either way, debt is a risk lever that needs active management based on where you are in life.

### 3. Portfolio resilience and diversification

With tariffs, geopolitical shifts and policy uncertainty all shaping markets, diversification matters more than ever. Yet many portfolios remain concentrated in one asset class or skewed toward domestic markets.

The temptation is to pile into whatever performed best over the past five years. But the last cycle's winner is rarely a winner in the next. One of the biggest fears from people approaching retirement is the market dropping 20 per cent the day before they finish work.

A diversified mix won't eliminate volatility, but it means everything isn't falling at once. Pair that with defensive assets and you've got a clear protocol: draw on the stable part of your portfolio, let the growth assets ride through the cycle and top up your reserves when markets recover.

#### 4. Protecting your biggest asset

Most people think their biggest asset is their home. It's not; it's their income. Someone earning \$100,000 dollars a year over a 40 year career will generate \$4 million dollars in lifetime earnings. Everything depends on it: the mortgage, the holidays, the kids' education, the retirement plan. Yet we instinctively insure the car and the house while leaving our income unprotected. There's no point building a financial plan without a foundation underneath it, and that foundation is adequate insurance.

There's another dimension increasingly common among baby boomers: the Bank of Mum and Dad risk. If an adult child is injured or unable to work, most parents step in, but that support comes directly out of retirement savings. More and more, we're seeing parents fund insurance for their children, not just to protect them, but to protect their own retirement. It's a smart strategy for families to consider.

#### 5. Structural durability

How your wealth is structured matters as much as how much you've accumulated. Ownership structures – superannuation, trusts, company entities – can affect tax efficiency, retirement income flexibility and how effectively wealth transfers to the next generation. The right structure depends on your life stage and goals.

Well-structured wealth survives downturns. Poorly structured wealth simply reacts to them.

#### Security is built, not assumed

If you haven't revisited your financial position recently, it's worth asking some honest questions. Could you sustain 12 months of higher-than-expected costs? How quickly could you access funds if you needed to? Is your insurance still adequate for your life today, not the life you had when the policy was first set up?

The definition of financial security has evolved and the strategies that got you here may not be the ones that protect you going forward. Resilience doesn't happen by accident. It's built through deliberate planning, regular review and a willingness to adapt.

At Apt Wealth Partners, we help clients build financial positions that are flexible, protected and designed to last. Because real security isn't about having all the answers; it's about having a plan that holds up when the questions get harder.



## Ready to reassess your financial security?

Talk to one of our advisers about where you stand today and how to build lasting resilience into your financial plan.

# Intergenerational wealth: Preparing the next generation without creating dependency

Australia is entering the largest intergenerational wealth transfer in its history. Over the coming decades, trillions of dollars in property, investments and business assets will move from one generation to the next.

For many families, this raises an important question: how can you support the next generation financially without undermining their independence?

Parents often want to help their children get ahead, whether through contributing to a property deposit, supporting education costs or providing early access to inheritance. These decisions are typically motivated by generosity and a desire to see children thrive.

But without careful planning, even well-intentioned support can create unintended financial and family complications. More than just passing on wealth, intergenerational planning is about ensuring the next generation is prepared to manage that wealth responsibly while protecting the long-term financial security of the family.





### When good intentions create unintended consequences

Financial support between family members often begins informally. A parent may transfer funds to help a child buy a home, lend money for a business venture or assist during a period of financial pressure.

While these gestures can be incredibly valuable, informal arrangements can lead to complications later.

One common issue is the lack of clarity between a loan and a gift. Without documentation, it may be unclear whether funds are expected to be repaid. Over time, this ambiguity can lead to misunderstandings between siblings or conflict when an estate is eventually administered.

Relationship breakdowns can also introduce risk. Assets transferred directly to children may become exposed during family law proceedings if the original intent and structure of the transfer were not clearly defined.

There may also be tax or social security implications depending on how funds are provided. In some cases, early gifts can affect future entitlements or disrupt broader estate planning intentions.

None of this means families should avoid helping one another. Rather, it highlights the importance of ensuring generosity is supported by thoughtful planning and clear structure.



## Structuring wealth transfer thoughtfully

Instead of transferring assets outright, it's important to think about how that is structured to balance support with protection. Trust structures, for example, can allow wealth to be distributed while helping manage how and when beneficiaries access those assets.

Testamentary trusts can be incorporated into estate planning to provide tax flexibility and asset protection for beneficiaries after death.

Discretionary trusts may also be used during a parent's lifetime to manage family investments or distribute income in a controlled way.

Another approach is staged or phased support. Rather than transferring significant capital at one time, families may choose to assist gradually – helping with a property purchase, supporting business growth or contributing to investment opportunities over time.

Equally important is how that support is provided. In many cases, “hand up” strategies can be more effective than outright gifts. For example, matching a child's savings for a home deposit can encourage discipline and ensure they have meaningful skin in the game.

Formalising arrangements is also key. Clear, written loan or gift agreements – including repayment expectations and what happens if circumstances change – can help protect both relationships and wealth.

Staging access to capital can also be valuable. Linking financial support to milestones or age-based events, rather than providing a single lump sum, can help align support with responsible decision-making over time.

Importantly, lifetime gifts should always be considered alongside broader estate planning. Wills, superannuation nominations and trust arrangements should work together to ensure intentions are clear and aligned.

Equally critical is ensuring that you have confidence in your own financial security and that any wealth transfer doesn't impact your long-term retirement plans.



## Preparing the next generation

One of the most overlooked aspects of intergenerational planning is preparation – not just the legal and structural elements, but the human side. That is, equipping the next generation with the knowledge, confidence and values to manage wealth responsibly.

This doesn't happen overnight. It's a gradual process that might begin with involving adult

children in investment discussions, encouraging them to develop their own financial literacy, or helping them understand concepts like risk, diversification and long-term thinking.

Practical experience can play an important role here. Setting up small investment portfolios in their own name and guiding them through decisions allows the next generation to learn by managing real money, not just theory.

There is also value in giving them defined roles – such as preparing a short update on an investment or a charitable initiative – so they move from passive observers to active stewards of family wealth.

When children have the opportunity to build their own financial confidence first, they're far better placed to use an inheritance wisely.



### **The value of open family conversations**

Money can be one of the most difficult topics for families to discuss openly. Many people avoid conversations about wealth, often with the intention of preventing tension or conflict.

However, a lack of communication can often create more uncertainty and lead to unintended consequences.

Open conversations about financial intentions can help set expectations across generations. For example, families may discuss how previous financial support fits within the broader estate plan, particularly where children have received different levels of assistance at different times.

These conversations also provide an opportunity to align wealth with family values. Holding periodic family meetings to discuss goals, priorities and how wealth is intended to be used can help children see money as a tool, not an entitlement.

Some families choose to incorporate charitable giving or establish a family foundation as a way of reinforcing values around stewardship and purpose. Others create a simple family charter – outlining principles around work, education, giving and the use of family capital – and revisit it as circumstances evolve.

Blended families can add further complexity, making clarity even more important. Transparent discussions about intentions and long-term plans can help ensure everyone understands the reasoning behind financial decisions.



## Planning with the right advice

Intergenerational wealth planning often involves several areas of expertise, including investment strategy, tax planning, estate law and retirement modelling. Coordinating these elements can help families make more effective decisions with greater clarity, confidence and control.

Financial advisers can play an important role in bringing these pieces together. By working alongside accountants and estate planning lawyers, advisers can help ensure strategies are aligned and structured appropriately.

They can also model long-term financial outcomes to ensure parents maintain financial security while considering how best to support their children.

Just as importantly, advisers can help facilitate the difficult but necessary family conversations that underpin effective wealth transfer. They can provide a neutral perspective, helping family members understand each other's views and identify underlying issues that could otherwise lead to future conflict.

Involving adult children in annual meetings with your adviser can also be valuable, allowing them to hear the family's strategy, risks and long-term goals in real time and building a deeper understanding over time.

## A legacy built on preparation

Intergenerational wealth transfer is most effective when it's intentional. When structure sits alongside generosity. When the next generation has been prepared, not just provided for.

A coordinated approach – bringing together your financial adviser, accountant and legal team – can help ensure that your long-term security is protected, that transfers are staged thoughtfully and that the whole family is aligned around a shared plan.

If you're considering how best to support the next generation, a strategic plan can help protect both your capital and their independence. Speak with your Apt adviser about building an intergenerational wealth strategy tailored to your family's goals.

# Fraud in the age of AI: How scams are evolving— and how to stay protected

Scams were once easy to identify. The poor grammar or too-good-to-be-true offer were the red flags that you could very easily spot. But these days it's become more sophisticated.

Artificial intelligence (AI) is fundamentally changing what financial fraud looks like and, scarily, how convincing it can be. Today's scammers are more prolific, sophisticated, more personalised and harder to detect. It's this shift that carries real financial stakes.



## The new face of scams

AI has lowered the barrier to creating highly convincing fraudulent content. Voice cloning technology can replicate a voice from as little as a few seconds of audio. Deepfake video can render a convincing likeness of a trusted person on a call. Phishing emails, once easy to dismiss for their obvious errors, now mirror the formatting, tone and logos of legitimate institutions with unsettling accuracy.

But perhaps the most under-recognised shift is in personalisation. Scammers no longer need to cast a wide net with generic messages. They harvest publicly available information – names of family members, upcoming life events, holiday photos from social media profiles – and weave them into communications that feel intimately familiar.

Many of our clients are still active Facebook users, with profiles that include family names, announcements, photographs and other things like holiday plans and pet names. Scammers can use exactly that kind of information to craft messages that feel entirely legitimate. And that is what makes them so effective.

The ‘Hi Mum’ scam is a prime example. A message arrives from an unfamiliar number,

claiming to be from your child who has lost their phone and urgently needs money. The message uses their real name. It’s only natural to want to help them.

The biggest change isn’t the number of scams – it’s how realistic they now appear.

## Why pre-retirees and recent retirees are particularly targeted

Those approaching or in retirement are at a stage of life that makes them vulnerable to fraudsters. Superannuation balances are typically at their peak. Access to lump sums – through transition to retirement strategies, pension drawdowns, property sale proceeds or self-managed super fund (SMSF) withdrawals – is at its greatest. Fraudsters know this and they design their approach accordingly.

There is also a values dimension at play. Many in this cohort have a deep, instinctive commitment to caring for their families. Scams that invoke a child in distress, a partner stranded overseas or an urgent family emergency are specifically designed to exploit that instinct. It’s all about bypassing rational judgement by triggering an emotional response.



## The psychology behind successful fraud

The most effective scams layer urgency with authority. A message claims your account has been compromised and demands immediate action. A call arrives from someone purporting to be your financial adviser, pressing for a rapid fund transfer. An ATO invoice arrives with a payment deadline and a warning of penalties.

This is not how legitimate advisers communicate. Particularly when it comes to withdrawing or moving money, we would never apply that kind of pressure in the first instance. While there can be time-sensitive portfolio decisions – such as managing a position ahead of a market event – these always involve movements within existing accounts. An unsolicited request to transfer funds to an external party should always raise suspicion.

Pressure is a red flag. Always.

## A practical framework for protection

Protecting your financial security doesn't require paranoia; it requires structure. Here are the habits I recommend to clients:

- Stop, pause and verify. Never act immediately on a message that involves financial information, account access or fund transfers. If you receive something that appears to be from Apt Wealth Partners – or any institution – do not use the contact details in that message. Look up the known number independently and call directly.
- Don't click unfamiliar links. Hover over links in emails to verify they lead where they claim. If anything looks unusual, don't proceed. Call your adviser first.
- Enable two-factor authentication. Activate this wherever available on banking, email and investment accounts. It is one of the most effective steps you can take to prevent unauthorised access.
- Consider a family code word. I've heard of families agreeing on a private word to use if contact is needed through an unfamiliar channel. This is particularly useful when someone is travelling overseas.
- Monitor your accounts regularly. Review statements for unfamiliar transactions. Early detection matters enormously.
- Limit your digital footprint. Review the privacy settings on your social media profiles. Consider what personal information, including family names, travel plans and financial milestones, is visible to people outside your immediate circle.
- Ask questions freely. If you receive anything from us that feels unusual, call our office on a known number. We would rather you check, even if the message is genuine, than trust something that wasn't from us.

## How we protect you

At Apt, we maintain strict internal protocols designed to protect our clients and their accounts. Any unexpected withdrawal request or change to nominated bank details – whether received by email, SMS or written form – is treated as potentially suspicious.

In these situations, we will always speak directly with the client and complete our verification process before any action is taken.

This process has caught fraudulent attempts on client accounts. In one case, a client's email

was compromised, and a fraudulent withdrawal request was submitted, forged with a copied signature and directed to an unfamiliar bank account. We identified the attempt when we called the client directly and they had no knowledge of the request whatsoever.

Most of our clients have experienced this verification process when making a withdrawal. It can feel like an extra step, but it is one we take seriously and one that exists entirely to protect you.



## Vigilance is part of wealth management

Protecting your long-term financial security is not just about investment strategy. It is about recognising that the threat landscape has changed and that a single moment of misplaced trust can have consequences that are difficult and sometimes impossible to reverse. It is much easier to avoid one of these events than to correct course after the fact.

We don't want to spark anxiety, but awareness is important. Simple habits, a healthy scepticism and the confidence to ask questions are among the most powerful tools available to protect what you've worked hard to build.

At Apt, our purpose is to help you live your best life, and that means being a partner not just in growing and managing your wealth, but in helping you to protect it. If you have any questions about account security or would like to review your financial protection practices, please reach out to your Apt adviser.



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