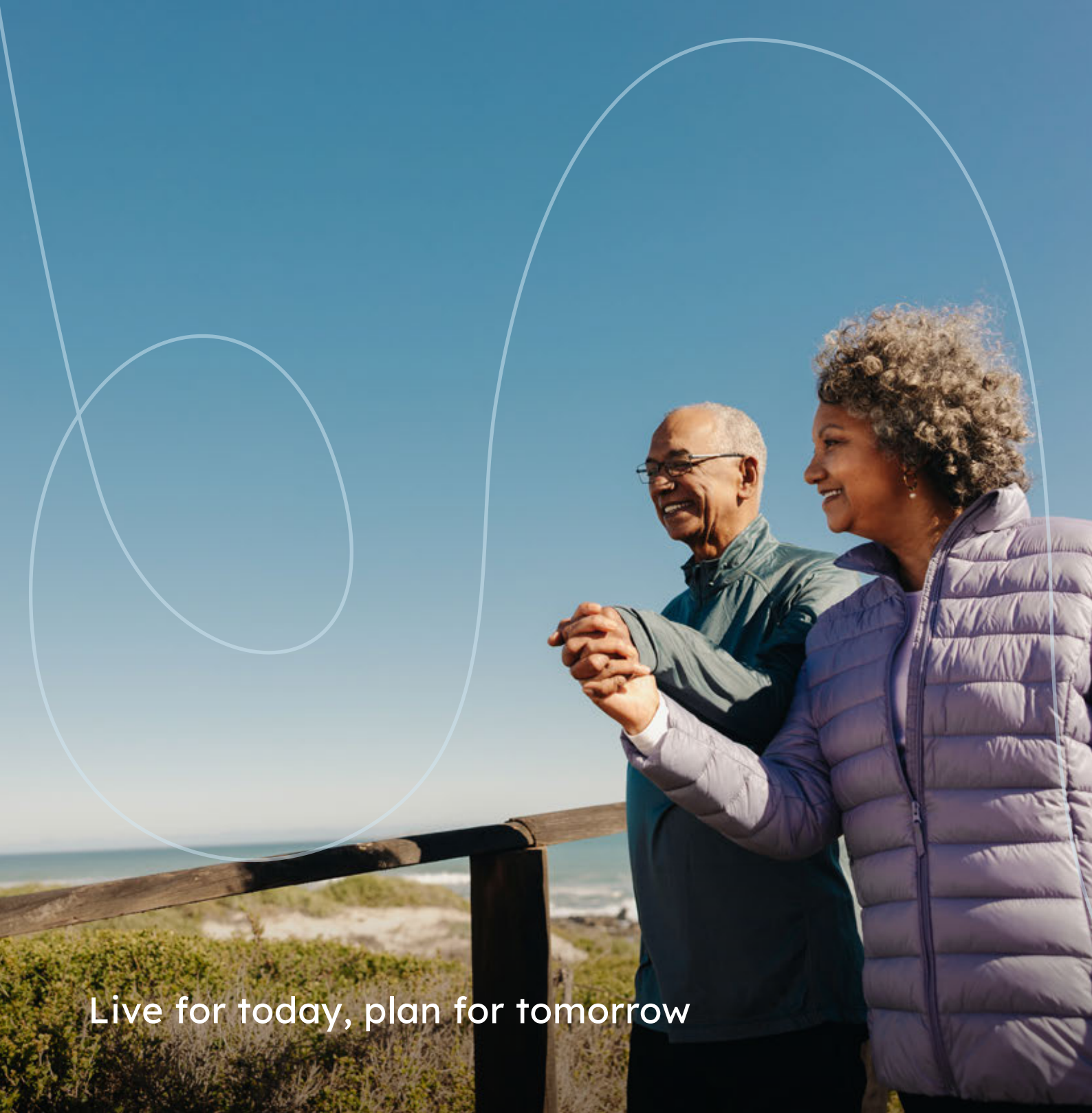


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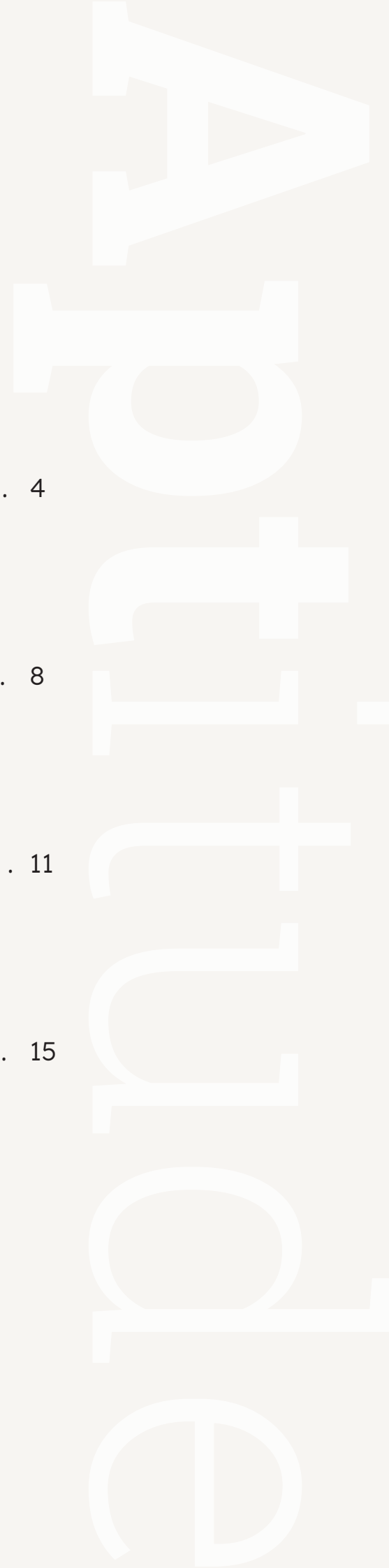
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Balancing property exposure within a broader investment portfolio



It's easy to understand why property is so appealing for investors. It's tangible and familiar, something you can see, improve and understand in a way few other investments allow. For a great many families it has been a real source of wealth, built patiently over years of careful decision-making.

Often the exposure builds naturally. Values rise, holdings accumulate and over time real estate can come to represent a very large share of your portfolio. But when an asset that once anchored a portfolio begins to

define it, it can cause a concerning imbalance. The most useful question is no longer whether property belongs in your plans but how it works within a broader portfolio designed to help you live the life you want.

Concentration risk

Because individual properties involve such significant sums, even a single asset can represent a large proportion of a person's total wealth. One apartment in Sydney, for example, could easily be worth a million dollars.

When so much wealth is tied up in just a few illiquid assets within a single market, concentration risk builds. A portfolio that leans heavily on property becomes more reliant on that market performing well, less resilient if it doesn't and less positioned to participate in growth happening elsewhere.

To be clear, this usually isn't the result of a mistake or poor decision-making.

In fact, most often it's the natural outcome of success. But recognising the imbalance is the first step towards addressing it.

Broadening the portfolio

Diversification isn't about moving away from property. It's about building a stronger position around it.

Real estate can sit comfortably alongside shares, fixed income and other asset classes, each with different return drivers and behaving differently through market cycles. The goal is to balance your property exposure by investing in other assets that complement, rather than compete with, what you already hold.

This becomes especially important depending on where you are in life. As you approach retirement, reliable income takes on greater significance. Having a diversified mix of assets that pay regular dividends or interest means you're not relying on rental income alone to support the life you want to live.

Liquidity considerations

Liquidity is simply how quickly you can access your capital. Shares can typically be sold within a few days. Cash is available on the spot. Property sits at the other end of the spectrum.

Even once you've found a buyer, settlement can take 60 to 90 days. If an unexpected life event creates an urgent need for funds or a compelling opportunity appears, a property-heavy portfolio can leave you waiting at exactly the wrong moment.

The stability property offers is real, but it comes at a cost to your flexibility and your ability to act when it counts.



The role of leverage

Closely related is the role debt plays in a property-heavy portfolio. Leverage allows you to invest funds you don't yet have, which can meaningfully increase your capacity to build wealth. Borrowing to purchase a million-dollar property, for example, gives you far more to work with than your deposit alone and amplifies your returns as the asset grows in value.

But it works in both directions. When markets fall or interest rates rise, the obligations don't pause. Repayments must be met and serviceability maintained. What felt like an advantage can suddenly become pressure. It's worth thinking about debt not just asset by asset but at the portfolio level and understanding the total exposure you're comfortable carrying.

Portfolio alignment

As your life changes, it's always worth reviewing your portfolio to ensure that it's still set up to achieve what you actually want.

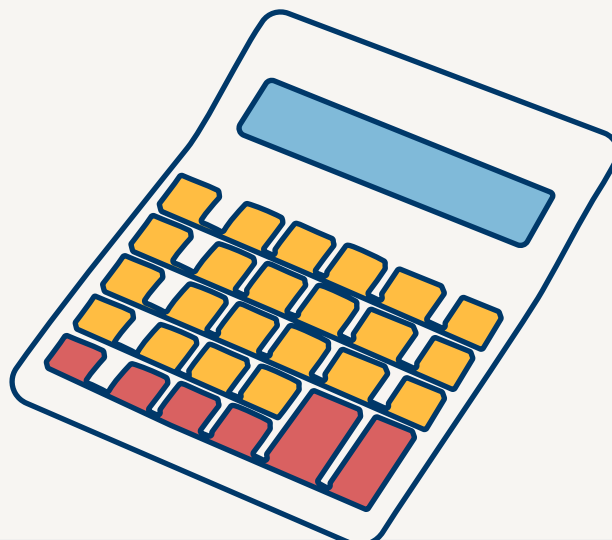
What made sense while you were building wealth may not serve you as well as you move towards or through retirement. When growth was the priority, property played a natural role.

But if your focus has shifted towards income and funding the life you want to live without a regular pay cheque, it's worth asking: Is your rental income sufficient to support that? Does holding this asset still align with where you're headed?

The right level of property exposure isn't the same for everyone. And it isn't static. Someone with a large, well-established portfolio might comfortably hold one or two investment properties alongside a substantial base of other assets.

But for someone whose property is their single largest holding, that same position carries a very different level of risk.

As wealth grows, so does complexity, and strategy that worked in an earlier phase of life deserves a fresh look.



Getting the full picture

Property, shares and every other asset are tools. What matters is whether they're working together towards the right outcome for you.

An adviser's role is to look across your whole financial picture, identifying where risk is concentrated, where flexibility is being lost and where your capital could be working harder. That means understanding your goals first and building a strategy designed to meet them. Not just accumulating assets but making sure everything you've built is genuinely set up to support the life you want, now and in the years ahead.

Understanding how your property holdings fit within your broader financial position can bring real clarity. If you'd like to explore whether your current portfolio remains aligned with your long-term goals, a conversation with your Apt adviser can help bring structure and perspective.



Building resilience, not just returns: Constructing portfolios for uncertain markets

There usually isn't a warning signal before markets move. When there's volatility, even the most solid sectors can find themselves under pressure. What you need is a resilient portfolio built to withstand a range of conditions, not just the ones that existed when it was created.



Resilience versus optimisation

There's a natural desire for a portfolio that's optimised for maximum return. The problem is that optimising for one set of conditions tends to create fragility when those conditions change. It requires specific assumptions to hold: that correlations stay stable, that sectors continue to behave as expected, that the recent past is a reliable guide to what comes next.

Resilience asks a different question: not 'what produces the best result if everything goes to plan?' but 'what allows us to stay the course across a range of outcomes?' The reality is that investors in high-performing funds often realise lower returns than the fund itself, because volatility drives reactive decisions. And that often means buying at highs and selling at lows. Reducing volatility makes it easier to remain invested, which is what long-term compounding actually requires.

Diversification in practice

Diversification across asset classes – equities, fixed income, property, alternatives – reduces reliance on any single return driver and remains the foundation of portfolio resilience. Different assets behave differently across market cycles, so genuine breadth helps absorb shocks in any one area.

What the current environment illustrates is that the structure of diversification matters as much as the principle. The AI trade is running across sectors with little historical connection: resource companies and miners (copper going into data centres), tech real estate investment trusts (REITs), semiconductor manufacturers in emerging markets. These assets are moving together in ways that aren't typical. At the same time, energy costs reshaped by geopolitical factors are introducing correlations across companies that didn't previously exist.

Traditional diversification still works, but it needs to be applied with awareness of the broader structural shifts underway.

Having genuinely independent return drivers, rather than nominal spread across categories, is what gives a portfolio real breadth.

Managing downside risk

Most investors track returns carefully. Fewer spend the same time thinking about drawdowns, volatility and the correlations between the assets they hold, all of which have a significant bearing on long-term outcomes.

Avoiding large losses is as important as achieving strong gains. When losses are contained, compounding works in your favour. When they're not, it works against you.

At Apt, we run an annual strategic asset allocation exercise with our asset consultants that examines the expected return, volatility and correlation of each asset class we hold. The goal is a portfolio structure that manages risk as deliberately as it targets return.

Liquidity and flexibility

Liquidity feels abundant when markets are performing well and becomes a real concern when they're not. In periods of stress, access to capital tightens sharply, and investors without sufficient liquidity are forced into decisions they wouldn't otherwise have made, such as selling at depressed prices, missing opportunities and restructuring on unfavourable terms.

For clients in or approaching drawdown, meeting regular income needs without selling assets at the wrong time is a practical priority.

For growth-oriented investors, liquidity provides the flexibility to act on opportunities or adjust positioning without being constrained by what you can actually access.

Assessing liquidity means understanding how each investment would behave under pressure, not just in current conditions. What does the fund actually hold? How has liquidity held up historically? How might sector dynamics shift in a stress scenario?



The role of alternatives

Private equity, infrastructure, hedge strategies and long/short funds can provide return drivers that aren't closely correlated to traditional equity and credit markets, which strengthens a portfolio's ability to perform across a range of conditions.

It's worth being clear about what they actually offer, though. Private assets can appear less volatile than listed equivalents, but this is largely a pricing effect: they're not marked to market daily, so the volatility is less visible rather than genuinely absent. The underlying risks are the same. Alternatives work best as part of a considered structure, either adding a distinct return driver or smoothing the volatility profile of the broader portfolio, not as a standalone solution.

Staying the course

Volatility is part of investing, not an exception to it. The difficulty is that the moments when it's hardest to stay invested are often the moments when doing so matters most. Selling when markets fall and buying when sentiment recovers is a pattern that consistently undermines long-term returns, even for investors who would describe themselves as disciplined.

Understanding your own likely response to volatility, and having a strategy that accounts for it, is as important as any structural decision in the portfolio. An adviser's role during difficult periods isn't just technical. It's helping you stay aligned to long-term goals when short-term conditions make that feel difficult.

Portfolio construction isn't a set-and-forget exercise. Markets evolve, personal circumstances change, and a structure that was well-considered at one point may need revisiting as conditions shift.

Good advice provides a clear view of how a portfolio is actually positioned, not just in headline allocation terms, but in terms of real diversification, drawdown exposure, liquidity and correlation across the whole structure. It involves stress-testing against different scenarios rather than assuming past conditions will repeat and having someone alongside you who can help maintain discipline through the periods when that's hardest.

In uncertain markets, understanding how your portfolio is positioned across different scenarios can provide clarity and confidence. If you'd like to assess whether your current strategy is built for resilience as well as returns, start with a conversation with your Apt adviser.

The role of **sustainable investments** in a diversified portfolio



For many investors, sustainable investing has long felt like a fork in the road: choose your values or choose your returns. It's time to put that concept to bed.

When integrated thoughtfully, sustainable investments can play a meaningful role within a well-constructed portfolio, complementing traditional assets, supporting long-term growth and reflecting what matters most to you as an investor.

Integration, not separation

Think of sustainable investments as part of the portfolio, not a feel-good addition bolted on once the real decisions have been made. Asset allocation, risk objectives and time horizons still drive the strategy. What changes is that ESG factors become part of how investments are selected and evaluated, sitting alongside traditional analysis rather than replacing it.

The difference between integration and afterthought is significant.

A small sustainable allocation tucked in the corner is unlikely to deliver on either financial or values-based goals. A properly integrated approach holds sustainable investments to the same rigorous standard as everything else in the portfolio.

Diversification across more than asset classes

Most investors understand diversification across asset classes – Australian and international shares, fixed income, alternatives. Sustainable investing adds another layer.

And it's worth thinking across all three, not just one. A common approach is to focus on a single exclusion – for example, cutting fossil fuels – without considering the broader picture. But a company with strong governance, accountable leadership and sound labour practices is managing risks that have real commercial consequences. Spreading exposure across all three ESG dimensions builds a more resilient position.

Beyond ESG itself, sustainable investing also opens the door to structural growth themes like clean energy, healthcare innovation and low-carbon infrastructure, which complement more traditional holdings and tap into shifts that are reshaping economies for the long term.

ESG covers three distinct areas:

- environmental – climate impact, natural resources
- social – labour practices, supply chain standards
- governance – board composition, accountability, transparency.



The returns myth

Does sustainable investing mean sacrificing returns? The longer-term evidence says no.

Companies with strong governance are less exposed to what can be called ‘controversy risk’, that is, the reputational, legal and operational fallout from poor labour practices, environmental incidents or board failures. These aren’t abstract risks. The companies that end up on ESG exclusion lists have often arrived there following very real and very costly events. Well-managed, accountable businesses are simply better placed to perform over time.

That said, sustainable investments go through performance cycles like any other. Recent years, marked by strong returns in resources and commodities, have made this space look less competitive. But the structural forces underpinning sustainable investing, such as energy transition, demographic shifts, tightening regulation, aren’t going anywhere. A short-term lens is the wrong tool for evaluating them.

Cutting through the labels

One of the challenges with sustainable investing is that there are a number of terms that are used interchangeably yet they mean different things. Here’s what you need to know:

- ESG investing – uses environmental, social and governance criteria to evaluate companies and manage risk.
- Ethical investing – screens out sectors that conflict with personal values.
- Sustainable investing – focuses on companies built for a long-term sustainable economy.
- Impact investing – goes further, targeting measurable positive outcomes alongside financial returns.

Knowing which approach fits your goals matters because the label on the tin isn’t always a reliable guide to what’s inside. Greenwashing, where funds use sustainability branding without the underlying holdings to back it up, has been well documented. The only way to really know what you own is to look past the fund name to the actual holdings and the methodology behind them.



Aligning wealth with what matters to you

For many investors, it starts with values. But what's often missed is that sustainable investing isn't just a statement of values. It's also an investment logic.

Companies that operate with strong governance, that is, the right board, the right policies, the right treatment of their people, tend to be better positioned to manage risk over the long term. Poor governance is what lands companies on ESG exclusion lists in the first place: labour incidents, reputational scandals, board failures that erode value. Well-managed companies tend to be less exposed to the kind of disruption that can permanently damage value. And that matters as much commercially as it does ethically.

What that looks like in practice is different for everyone. For some investors it means avoiding fossil fuels. For others it's seeking out companies with diverse boards or strong community practices. For others still, it means directing capital towards investments with a specific environmental or social outcome in mind. There's no single right answer, which is exactly why a tailored approach matters. The goal is a portfolio that reflects your values, serves your long-term financial goals and is genuinely built around your situation rather than a label you feel good about.

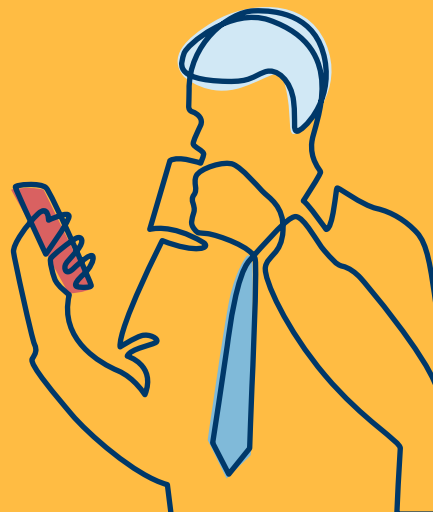
The value of advice

Sustainable investing is complex. It's crowded with products, competing definitions and marketing noise. Getting it right takes more than good intentions.

A good adviser can help you cut through the terminology, identify investments that actually reflect your values and make sure they fit coherently within your overall portfolio strategy.

Sustainable investing isn't about choosing between performance and principles. With the right approach, you don't have to.

If you'd like to explore how sustainable investments could work within your portfolio, get in touch with your Apt adviser.

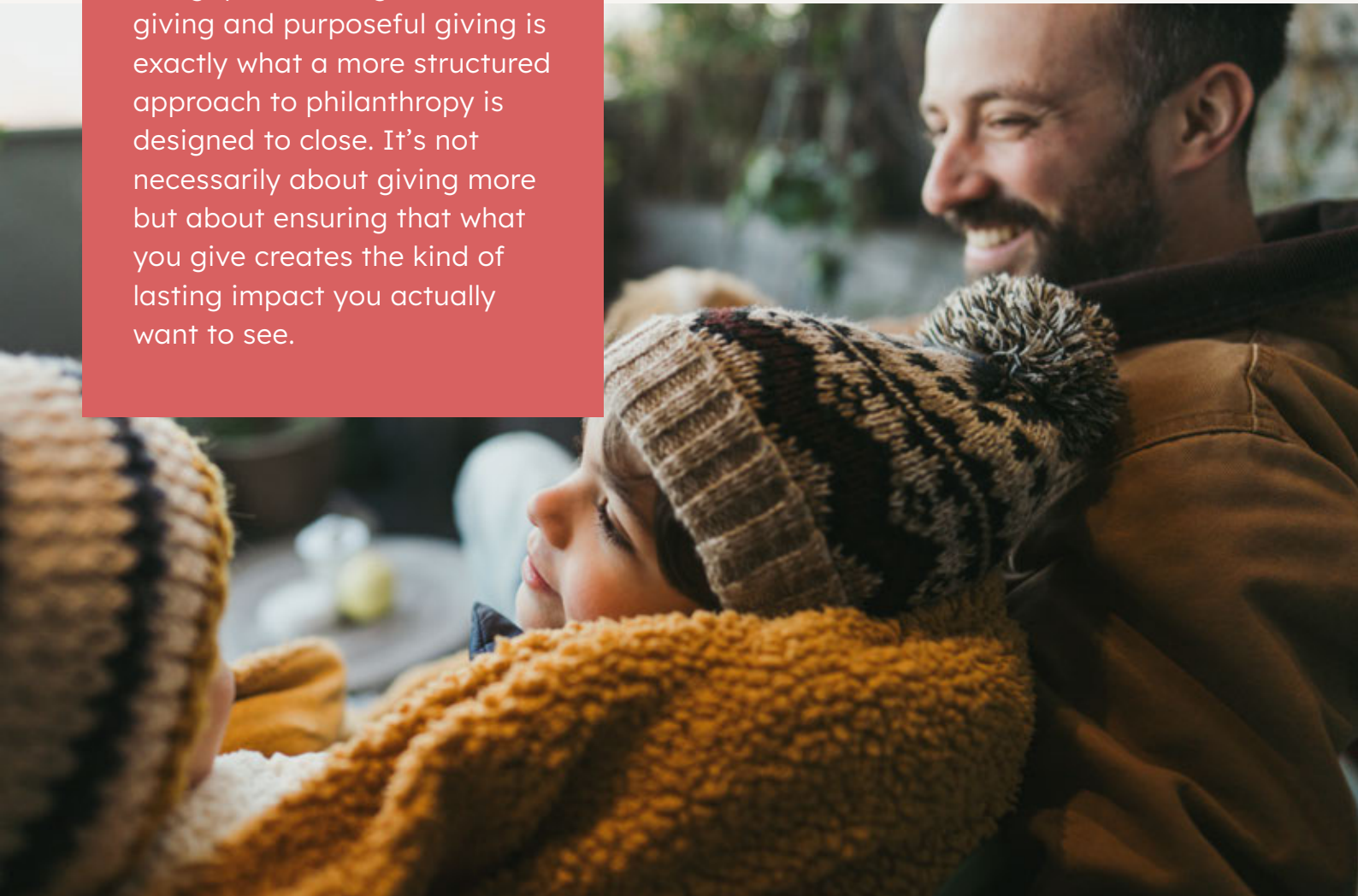


Giving with **purpose**

A more structured approach to philanthropy

For most of us, giving is something we naturally do. We make donations to causes we care about and support the communities that matter most to us. What is often lacking is a clear sense of purpose or structure behind the generosity. Giving is the easy part. Knowing whether it's making a real difference is much harder.

The gap between generous giving and purposeful giving is exactly what a more structured approach to philanthropy is designed to close. It's not necessarily about giving more but about ensuring that what you give creates the kind of lasting impact you actually want to see.



Defining what matters

Purposeful philanthropy starts with understanding what you actually want to achieve. That sounds straightforward, but it requires more thought than most people give it.

Which causes genuinely align with your values? Not just the ones that feel urgent in a given moment, but the ones you'd want to support consistently over years or decades?

What kind of change matters most to you? Immediate relief or systemic shift? Local impact or something broader?

How does your giving connect to your family's values and the legacy you want to build?

Answering those questions creates a foundation for giving that is consistent, focused and meaningful. It also makes it easier to say no thoughtfully so you can direct resources towards outcomes you care about most rather than responding to every appeal as it arrives.

The case for structure

Clarity about purpose is the starting point. Structure is what gives it longevity.

In Australia, several giving vehicles make it possible to formalise philanthropy in a way that supports long-term consistency and good governance. Private ancillary funds (PAFs) allow families to establish their own charitable fund, make contributions over time and distribute to eligible organisations at their own pace. Public ancillary funds (PuAFs) and sub-funds within community foundations offer similar benefits with lower administrative overhead, making them a practical entry point for those earlier in their philanthropic journey.

What these structures share is the ability to separate philanthropic capital from personal wealth, establish clear governance around how and where funds are distributed, and provide a framework that can operate, and grow, over time. The tax efficiency that comes with these structures also means more of your wealth reaches the causes you care about.

Choosing the right vehicle depends on the scale of your giving, your goals and how you want to be involved in decisions over time. These are details worth working through carefully with an adviser who understands both the options available and your broader financial position.



Part of a broader strategy

Philanthropy, when it's considered carefully, reflects the same values that shape the rest of your financial life, including your investment approach, your estate plan and your decisions around business and succession. It makes sense to think about giving within that broader context rather than alongside it.

When philanthropy is integrated into your overall strategy, the decisions you make tend to be more efficient and more coherent. Tax position, asset structure, estate planning and giving objectives can all be considered together, rather than creating unintended gaps or missed opportunities when managed in isolation.

For clients approaching a significant financial event, such as a business sale, an inheritance or a major liquidity moment, timing has real implications for how giving is structured and what's possible. Planning ahead creates flexibility that simply isn't available after decisions have already been made.

At Apt, the approach is to bring every dimension of a client's financial life into a single, coherent picture. Philanthropy, approached with the same rigour as the rest of a financial plan, belongs in that picture.

Building legacy across generations

One of the less obvious benefits of structured giving is what it offers families over time. Philanthropy provides a natural context for conversations that can otherwise be difficult to have. Conversations about values, about the responsibilities that come with wealth and about what the family wants to stand for and contribute beyond its own interests.

Involving the next generation in philanthropic decisions, even in a modest or gradual way, builds financial literacy and a sense of shared purpose. It creates a thread that connects family members around something meaningful. Not just shared assets, but shared values and a shared commitment to impact.

In practice, involving the next generation does not need to be complex. Some families invite each adult child to nominate one charity for the fund to support each year, within an agreed giving theme. Others create a 'family giving day' where grant decisions are discussed alongside broader conversations about the family's values, responsibilities and long-term aspirations.



Knowing your giving is working

When philanthropic goals are clearly defined, it becomes possible to assess whether the causes and organisations you support are actually delivering against those goals. That doesn't mean turning giving into a rigorous evaluation exercise, but it does mean moving beyond the act of contribution towards genuine engagement with outcomes.

In practice, that visibility tends to strengthen rather than complicate the relationship with giving. Seeing contributions create specific, tangible change makes philanthropy something clients actively engage with and look forward to revisiting, rather than a commitment they maintain without much reflection.

This could involve agreeing on a small handful of indicators you and the charity both care about. For example, reviewing the number of people supported, programs delivered or regions reached each year. Some families also choose to allocate a portion of their giving to 'experimentation', backing innovative or early-stage initiatives where learning is as valuable as immediate outcomes.



From intention to impact

Structured philanthropy sits at the intersection of financial planning, tax strategy, estate planning and personal values. Done well, it requires all of those elements to be working together to understand how it fits within the broader financial picture and evolves as circumstances change.

At Apt, success is measured not just by financial outcomes, but by the confidence, wellbeing and legacy clients build over time. For many, structured philanthropy has become one of the clearest expressions of what their wealth is really for – a practical way to align their money with their values and to bring their family together around a shared and fulfilling purpose.

A conversation worth having

If you are considering how giving could sit alongside your broader financial strategy – whether you are just starting out, approaching a major transaction or wanting to involve the next generation – get in touch to speak with an Apt adviser to help you clarify your objectives and select the structures, timing and governance that best support them.



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