Investors' Corner

Citiplace, Perth

for ASA, 17th September 2026

Convenor: Mark Dixon

Citiplace - Emergency Procedure

- If smoke is detected, or fire alarm is raised, follow exit signs
- Upon evacuating the building, meet at ***designated area***
- Do not use lift in an emergency

- **Designated area**
  - Turn right from the Citiplace Centre and proceed over the bridge to the pond area past the Art Gallery, if safe to do so.
  - Regroup there for head count if safe to do so.
  - If emergency personnel instruct differently then follow their directions.

ASA Disclaimer

The Australian Shareholders' Association (ASA) provides facilities for member meetings, webinars, and conferences to deliver general factual information about the ASA and financial markets.

The ASA is not licensed to give financial advice and does not intend to give financial advice.

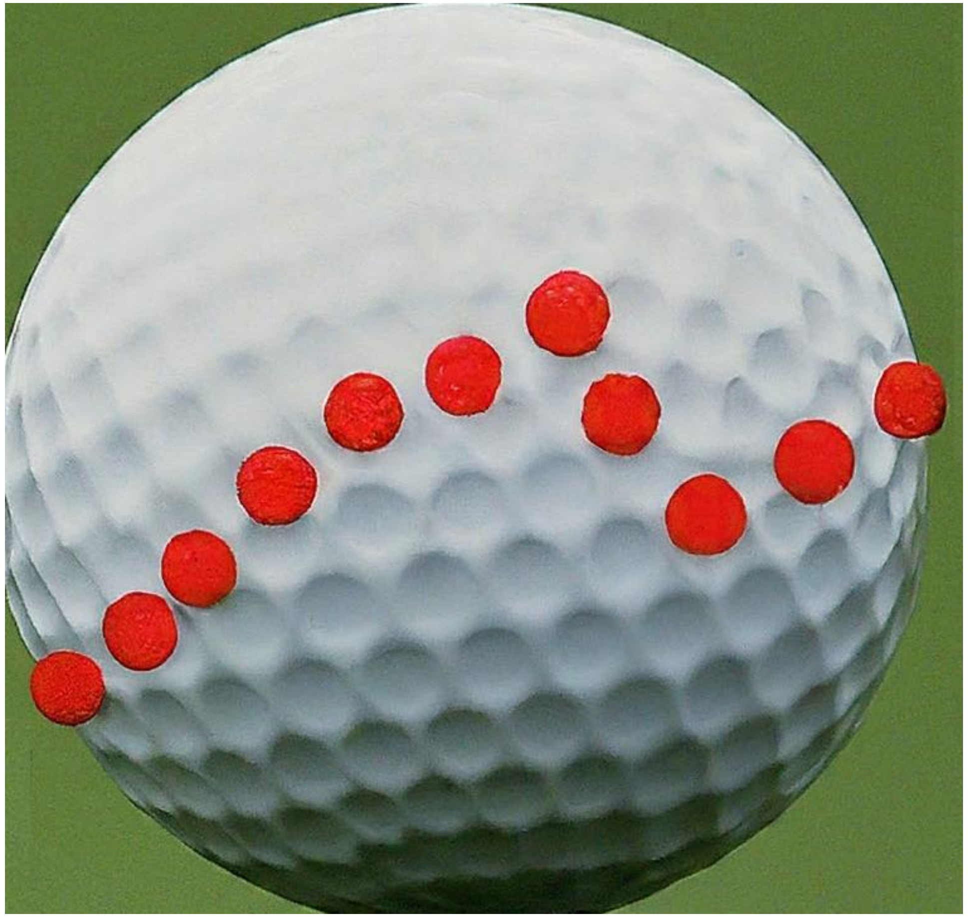
The factual information presented is not intended to imply any recommendation or opinion about a financial product, nor to influence any person's decision regarding any financial product or class of financial products.

The ASA does not accept any responsibility to inform you of any matter that subsequently comes to our notice that may affect any of the information discussed.

Anyone wishing to act on any matter discussed should seek independent advice from a licensed financial advisor.

Agenda

- Intro — Welcome, emergency procedure, disclaimer
- Excursions with charts — Bob Kelliher
- How to play the new capital gains system – Guy Buters
- Decumulation - Fancy Name for Spending your Super – Chris Homer
- Open discussion
- Next meeting — 15th October 2026
- Close ~ noon.



Excursions with charts
– Bob Kelliher

Guy Buters

Born Netherlands 1961; came to Australia in 1967, learned English at school

Finished Medicine at UWA 1985

Worked in Emergency Medicine for 29 years

Intends to retire soon.

Budget 2026

? What to do

Bad News

- New 30% <u>minimum</u> tax on discretionary trusts. Paid by the trust with no credit to the beneficiary if their marginal rate is less than 30%.

- Capital gains tax changes

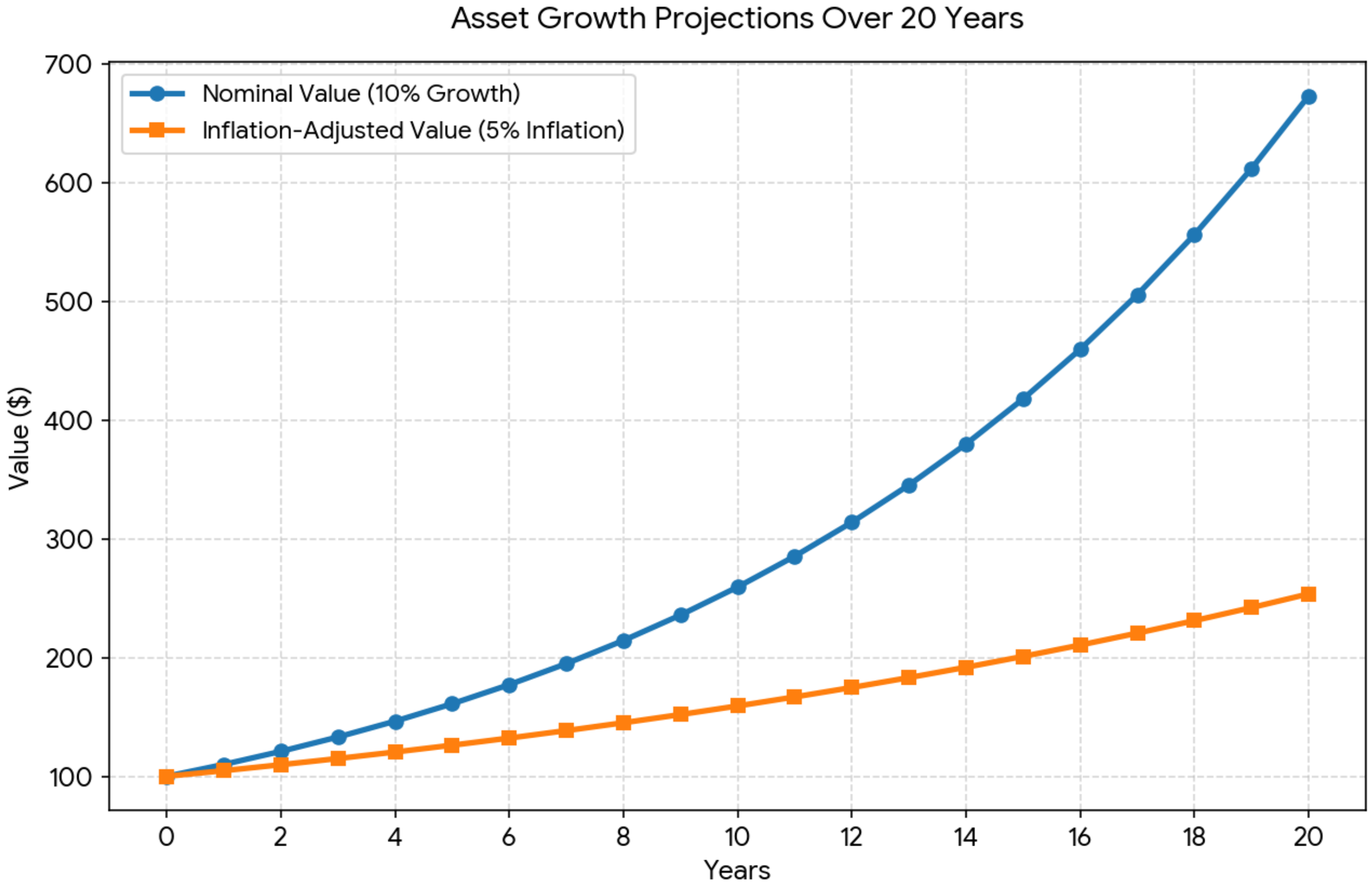
  1 Removal of 50% reduction

  2 replacement by CGT payable on any increase above inflation

  3 Absolute minimum of 30% CGT tax payable on capital gain post 1/7/2027 (this is the average tax rate paid by some-one earning $250,000). This can't be offset eg superannuation contribution

  - Superannuation retains its current CGT rules

Assume you buy two shares A and B
A appreciates by 10% per annum for 20 years
B goes to zero. Inflation is 5%



Outcome share A is worth 672.75 after 20 years

- Net profit A is $319.20
- Loss of $100 on B
- Combined net taxable profit $<u>219.20</u> minimum tax $65.76

- However your initial expenditure was $200 inflated by 5% for 20 years is now the equivalent of $530.66. Your real profit is actually $142.10 (not $219.20). The difference occurs because the loss is not adjusted for inflation. The effective tax rate is 46%

Discretionary trust

1.Dissolve the trust

Federal government states it will provide CGT relief ?how

No confirmation that the state government will provide stamp duty relief.

Cost / effort involved in dissolving a complex trust. Many trusts own a variety of assets including property and assets which may be hard to value. When they are transferred to a new structure /ownership they would ideally have confirmation of their cost base.

2.? Transfer /convert to a fixed trust. Fixed trusts are apparently not effected by the 30% minimum tax. However there may be stamp duties applied.

Loss of trust/ certainty. Who would trust any politician given the recent events. This makes it very difficult to reliably perform long term planning .

Capital Gains Tax Options

1. Never sell (except to immediately offset a capital loss)
    - This strategy favours investment in certain types of shares and ETF’s
        - Blue chip eg BHP, WES, SOL
        - Dividend shares; WDS
        - VAS, EX20, VGS (esp when AUD is strong)
2. Superannuation (retains existing rules)
    - SMSF
    - Industry funds tend to be limited to the ASX 300 , no direct overseas shares
    - Stake super et al. They act strictly as a **service provider, administrator, and software platform**. They process paperwork, track transactions on their platform, and prepare documents based on your data. You have the fiduciary responsibility. Can buy any suitable asset. Costs $990 to $2490 per annum

3. Insurance bonds . They pay tax internally at 30% on profits. Apparently they can buy shares. After 10 years they’re tax free

Gearing

- Gearing investments is traditionally used to increase profits
- Increases risk +++
- Margin loans have an excessive interest rate (8.30% to 10.70%) plus have the risk of margin calls.
- Warrants; these have internalised borrowing costs, your risk is limited to the cost of the warrant. However they are only available on the ASX top 200 and have limited liquidity.
- Home loan redraw. If money is redrawn from your home loan it can be used for investment purposes however be very careful to ensure that its not mixed with general funds. The interest is deductible and there is no risk of a margin call.

Income

- Avoid selling.
- Always offset gains with losses (losses are not indexed with inflation and lose value over time)
- Wash the losses by buying back the shares using a second party (eg your spouse).
- Generate income from dividends.
- Consider writing covered calls. The income from these calls are considered to be capital gains.

Christopher Homer

Tax Agent, B.Comm, Post Grad Cert (Accounting) Senior SMSF Client Manager

Over the past 20 years, Chris has helped establish hundreds of SMSF's for Trustees who were looking to take control over their Superannuation. He is a firm believer in the power of Superannuation to provide amazing financial security for members.

He is passionate about the impact of advice and engagement, propelling people to get the best out of their circumstances and provide strength and security to their family. He is the co-owner of Supervision Group where he and his team grew the business into one of WA's largest SMSF accounting firms.

He spends his days assisting clients with big ticket items and his presentation today is a result of his many face to face meetings with his clients.

AUSTRALIAN SHAREHOLDERS ASSOCIATION

Decumulation — Fancy Name for Spending your Super

Why Die with 33% of your Super?

WELCOME

A conversation we rarely have

Thank you Mark for the invitation to present to your membership.

Today is meant to start a conversation — and I'd love to keep it going, more interactively, in the catch-up session after the formal proceedings.

PLEASE NOTE

General advice warning

The information in this presentation does not consider any of your investment objectives, financial situation or particular needs and should not be in any way considered personal financial advice.

Supervision does not provide financial product advice or recommend any financial products. We recommend that you seek professional advice from a financial adviser before making any decision about your superannuation or retirement strategy.

THE AUSTRALIAN, ON PROJECTIONS TO 2059

33%

of all superannuation is projected to be **inherited** — $1 in every $3 paid out.

2020 STUDY

$1 in every $5

Superannuation paid out as an inheritance.

PROJECTED 2059

$1 in every $3

A substantial increase in wealth passing on, unspent.

THE QUESTION WORTH ASKING

Why is super increasingly left behind rather than used for what it was designed to do?

Several factors have been studied here in Australia and in the US, where the same pattern appears.

WHAT HOLDS PEOPLE BACK

Four things holding us back

01

Longevity risk

Will my savings last as long as I do? How long will I live?

02

Spending risk

How much will I need? What will my living expenses be? The imagination runs wild.

03

Lack of professional support

Which options suit my goals? Where do I get more complex support — and can I afford it?

04

Bequest motive

"I want to leave my children money."

These factors compound one another.

US RETIREMENT SPENDING STUDIES

The retirement spending smile

Spending starts strong, decreases through the middle years, then rises again later in life.

The pattern holds even in periods of higher inflation.

WHY CONFIDENCE STAYS LOW

Our system is built around a lump sum goal, not an income

That focus makes retirement harder to navigate alone — and lowers confidence exactly when it should be highest.

TODAY

$X,XXX,XXX

→

BETTER MEASURE

$XXX,XXX per year

OBSERVATIONS OF PENSION CLIENTS

The headline number wins

- Focus on the headline dollar value rather than the income it generates.
- A fixation on never going backwards in dollar terms.
- Reduced sell-down mentality and stronger attachment to certain assets.
- Drawing the minimum each year to fit their arrangements, rather than building income to fit their requirements.

OBSERVATIONS OF PENSION CLIENTS

“I've hit the number — I don't need help anymore“

- Advice is often dropped once the target is reached — but spending it well is its own skill.
- Innovative solutions for longevity and lifestyle get missed, leading to lower spending and higher anxiety.
- Being frugal feels virtuous — a way to stay in control.

Spending money is not the same as wasting money.

A POWERFUL DRIVER

Leave more, leave smarter

- Little understanding of the strategies that maximise financial impact.
- Concern about in-laws, and about the money being diluted.
- The intent is right — the timing and structure are where the value is won or lost.

CONSTRUCTIVE, NOT SENTIMENTAL

Give with purpose

- Well-timed help creates long-lasting impact for beneficiaries.
- Those benefits can be quantified, even when they aren't immediate.
- Purchased experiences count: family holidays, gatherings, lifestyle goals.

SOLUTIONS

Invest for income, not wealth

Switch the performance metric from total wealth to **consumption units** — invest against income requirements rather than a wealth figure.

So how is that done?

LIABILITY DRIVEN INVESTMENT

While you're still saving

Evaluate decisions on expected outcomes.

01

When will you retire?

Set the date before you set the number.

02

What consumption is needed?

Define the standard of living you’re funding.

03

Model income, not lump sums

Base future calculations on retirement income requirements.

04

Shift behaviour to the goal

Once income levels are calculated, align contributions and choices to them.

LIABILITY DRIVEN INVESTMENT

When it's time to spend

Turn savings into reliable, lasting income.

01

Liquid asset base

Anticipate asset sales and factor them into ongoing income.

02

Professional management

Balance longevity risk with assets and lifetime products that keep paying cash income.

03

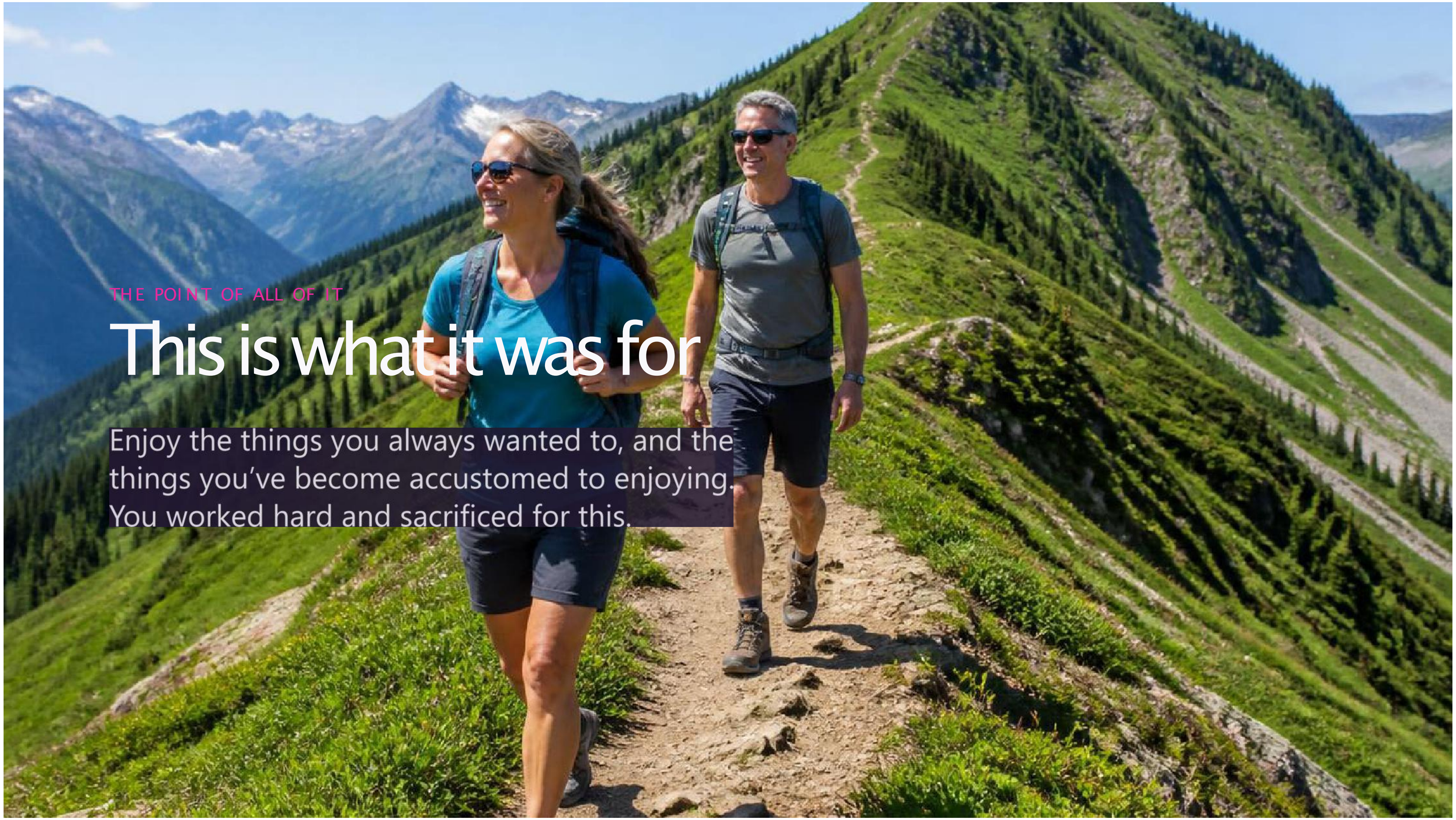
Bequest earlier

Use insurance bonds, super top-ups and contribution plans that maximise tax savings.

04

Plan for aged care

Understand Home Care Packages, residential care fees and means-tested contributions so care choices don’t derail income.



THE POINT OF ALL OF IT

This is what it was for

Enjoy the things you always wanted to, and the things you've become accustomed to enjoying. You worked hard and sacrificed for this.

NEXT STEPS

Three questions to take away

CAPACITY

Can you decumulate?

Does your position give you the room to spend and to give?

METHOD

How will you do it?

Which strategies can you conceive — and which others exist?

PEOPLE

Who benefits?

When will you talk to your beneficiaries, and what strategy is right for them?

Which professionals do you need to start the process?

Let's continue the conversation

Join me in the catch-up session — bring your questions.

Discussion

Coming Soon

Our next meeting: Thursday, 15th October, 10 am, Citiplace.

Other ASA groups

- 1st Tuesday of each month, 10:15am – Perth Member's Meeting & Investors Forum in State Library Theatre Auditorium, contact Kaye
- 1st Friday, 10 am – BIG-E (Citiplace, Perth), contact David
- 3rd Monday, 2:30 pm – BIG-W (Peppermint Grove Library), contact Anne
- 3rd Tuesday, 10 am – Stirling Discussion (Osborne Community Centre, Tuart Hill), contact Chris
- 3rd Wednesday, 10 am – Busselton Discussion (Busselton Community Resource Centre), contact Bernie
- 4th Thursday, 10 am – Nedlands Discussion (Drabble House), contact Kevin
- 4th Friday, 10 am – Perth South of the River (RAAFA, Bull Creek), contact Peter
- See: https://www.australianshareholders.com.au/learn-connect/local-meeting-groups/

Coffee

Informal, broad ranging, discussion after this meeting at the State Library coffee shop.

All are welcome.

Slides from presentations

https://mark-dixon.com/ASA