Your PERSONAL WEALTH

Spring 2026

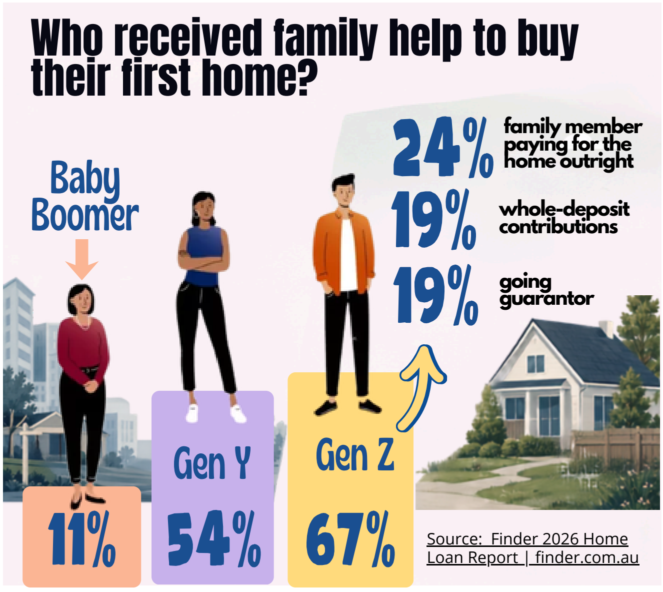
We hope you enjoy this Spring edition of Your Personal Wealth.
In this edition, we look at the challenges younger generations face in accessing the housing market and their increasing reliance on the "Bank of Mum and Dad", and also provide some tips for discussing aged care with your ageing parents. Investment markets continue to reflect geopolitical uncertainty, and we offer insight into what might lie ahead.

Bank of Mum and Dad

For many Australians, the cost of housing and everyday expenses can make building wealth and getting ahead harder and even harder when there's no second income to share the load.

For parents, this can become even more relevant when adult children need financial help. Supporting them can be important, but it's equally important to make sure that generosity doesn't come at the expense of your own financial security in retirement.

Continue reading on page 4



Markets continue to rise; however, warning signs are ahead

> While growth opportunities remain, active management and diversification are essential as markets navigate AI optimism, sticky inflation and geopolitical uncertainty.

Continue reading on page 2

Continued from page 1

Major themes dominating financial markets

- **Geopolitical Energy Risks:** Middle East conflict drives oil and gas volatility, threatening global economic growth.
- **Sovereign Supply Chains**: Nations prioritise security by localising energy, critical mineral, and technology manufacturing.
- **Asset Supercycle**: Infrastructure spending on data centres and power networks fuels traditional industrial and energy sectors.
- **The AI Execution Phase**: Attention is shifting from hardware makers to tech firms monetising software, and mainstream companies adopting AI to cut costs.
- **Sticky Inflation**: Persistent price pressures force global central banks to maintain higher interest rates.

Share markets have produced a three-year period of good returns. Over the last 12 months and year to date, the emerging markets and the US have led returns, both driven by the AI thematic. The strengthening of the Australian Dollar significantly reduced returns in AUD over the last 12 months.

Solid year-to-date numbers mask highly volatile market cycles. The first quarter of 2026 began in a distinct risk-off posture; escalating Middle East conflict and spiking oil prices forced global corrections through late March, hitting rate-sensitive sectors hard. This narrative flipped into a risk-on rally from late March through June as strong corporate earnings pushed Wall Street to records.

Locally, the share market remained subdued, reflecting a slowing domestic economy. Persistent inflation forced the RBA to lift the cash rate to 4.35% in May, impacting small caps (-10.8% CYTD) and listed property (-5.2% CYTD). Conversely, the Energy and Resources sectors surged 29% and 14% CYTD, respectively, shielding the broader index. Fixed income remained soft; Global Bonds (Hedged) and Australian Bonds posted subdued CYTD returns of 0.2% and 1.9%, trailing cash as inflation risks lifted yields.

The numbers (to 30 June 2026)

Asset Class %	CYTD	3 months	6 months	1 year	Ann.3 year	Ann.5 year	Ann.10 year
Global Shares in USD	10.5	4.1	13.1	22.4	19.6	12.5	13.3
Global Shares in AU	4.9	6.9	7.8	10.8	17.0	12.7	14.2
US Shares in AU	4.6	6.7	8.3	9.6	17.7	13.9	16.0
Emerging Markets in AU	14.1	7.4	10.2	25.6	18.3	9.5	10.5
Australian Shares	4.7	4.1	2.9	6.0	10.4	8.0	9.0
Australian Small Companies	-10.8	-3.2	-13.2	1.8	7.5	2.2	5.8
Australian Listed Property	-5.2	4.7	-2.7	-5.4	10.2	5.6	5.2
Australian Bonds	1.9	2.2	1.6	1.1	3.7	-0.1	1.7
Global Bonds (Hedged AUD)	0.2	0.2	0.0	2.1	3.4	-0.5	1.3

Outlook for economies and markets

Financial markets remain precariously balanced between AI-driven growth optimism and geopolitical turmoil. Until a convincing peace agreement is reached, markets and commodity prices stay vulnerable to severe global shocks that could spike inflation and unemployment.

Domestically, following a resilient 2.6% GDP growth rate across 2025, the Middle East war has left the Australian economy fragile and slower. While robust near-term momentum means corporate earnings for the remainder of 2026 look solid, the forward outlook for 2027 appears muted. The Federal Budget and delayed bite of May's interest rate hike to 4.35% has triggered a steep drop in loan demand, threatening a possible corporate and economic deceleration heading into next year.

While the global corporate earnings outlook stays positive, headwinds like high sovereign debt, energy disruptions, and stretched valuations in some assets require caution. The US and Emerging Markets show the most promise, while Europe, the UK, and Asia face visible energy vulnerabilities.

We remain positive on growth assets and quality credit but emphasise active management to identify relative value in specific sectors and sub-asset classes.

Conclusion: Our preferred approach

- Continue to be diversified by asset classes
- Remain flexible and incorporate active management.
- Review currency hedging in the portfolio.
- Bonds and high-quality credit for income and stability.
- Seek inflation protection with exposure to listed global property and infrastructure.
- Regular rebalancing to maintain target allocations.

Navigating financial conversations with ageing parents

Talking money with your parents can feel like the most awkward chat since they gave you "the talk". But avoiding it doesn't make the risk go away: it just means decisions get made in a crisis instead of with a clear head.

When and how to start the conversation

Pick a calm moment, not a hospital waiting room. Frame it as care rather than control. "I want to understand your wishes so I can support you properly" lands better than "we need to sort out your affairs". Involve siblings early so nobody feels blindsided later and consider asking your adviser to help facilitate the first meeting. A neutral third party often helps take the heat out of family dynamics.

Key topics to cover

Wills
Are they current? Do they reflect blended families, gifts already made, or assets bought since the last update?

Powers of attorney
An Enduring Power of Attorney lets someone manage financial and legal decisions if a parent loses capacity. These documents are governed by state and territory law, so the rules differ depending on where your parents live.[1]

Enduring Guardianship or medical decision-making.
This is separate from financial power of attorney and covers healthcare and lifestyle choices.

Superannuation and death benefits.
A binding death benefit nomination tells the fund who you would like to get the balance.

Home Care or Residential Aged care.
If you require additional support/care in future, how would these services be funded?

Balancing dignity with practical planning

Nobody wants to feel like their independence is being taken away. Keep parents in the driver's seat wherever possible, focus on "what if" scenarios rather than worst-case predictions, and revisit the conversation regularly rather than treating it as a once-off.

Where an adviser adds value

A good adviser coordinates the moving parts, from aligning super nominations with the will, to modelling aged care costs under the new fee structure, to liaising with solicitors on powers of attorney. Getting this right early avoids rushed decisions later.

[1] State and territory public trustee offices; enduring power of attorney requirements vary by jurisdiction.

Your own credit card: a small step with big protection

Too often, the sudden death of a primary credit cardholder can create an immediate financial problem for their partner. Banks may cancel the account within days[2] to prevent fraud or further debt. If the partner has no income and no credit card in their own name, they could suddenly find themselves without access to funds for everyday essentials such as groceries — or even unexpected costs such as a funeral.

THE RISKS OF RELYING ON ONE CARDHOLDER

- Supplementary cards are cancelled the moment the primary holder dies.
- Joint accounts may be frozen or reassessed during separation or estate administration.
- Multiple rejected applications can damage your credit score over time.

BUILDING YOUR OWN FINANCIAL FOOTING

- Apply for a card in your own name while employed, even a low-limit one.
- Keep it active with small regular purchases to build a credit history.
- Maintain your own bank account alongside any joint arrangements.

[2] Deceased Estate & Settlement Support When Losing a Loved One

Helping your children without compromising your retirement

Pre-retirees and retirees often want to help their children financially, while still protecting their own lifestyle, healthcare needs and future aged care costs.

How to support the next generation while protecting your own financial future

For many Australians, helping children financially is one of life's great rewards. Whether contributing to a home deposit, education costs or support through challenging times, parents and grandparents are increasingly stepping in to lend a hand.

According to Finder.com, parents advanced approximately $35 billion to their children, making the 'Bank of Mum and Dad' one of Australia's largest lenders.[1] Rising property prices, cost-of-living pressures and economic uncertainty have made it harder for many young adults to get ahead on their own. As a result, parents are playing a bigger role than ever before.

Can you afford to help your children without putting your own retirement at risk?

The balancing act many retirees face

Most parents want to see their children succeed, but retirees and pre-retirees often have financial pressures of their own.

With people living longer than previous generations, retirement may last 25 to 30 years or more, while healthcare, home support and aged care costs can be hard to predict.

[1] Bank of Mum and Dad statistics 2023 | Finder Australia

Financial help funded from savings, investments or superannuation can have a long-term impact if it reduces the income or capital needed later.

Start with your retirement plan

Before making any financial commitment, it's important to understand what resources you will need throughout retirement.

Consider:

- How much income you'll require each year;
- Whether your savings are likely to last throughout retirement;
- Potential healthcare and aged care costs;
- The impact of inflation on future spending;
- Whether you have adequate emergency reserves.

The priority should always be ensuring your retirement remains financially sustainable. Remember helping your children should not mean you becoming financially dependent on them later.

The 'Bank of Mum and Dad' is no longer just a lending issue; it's a family planning issue. Contact us today to talk to us about how you can best support your children, without ruining your retirement in the process.

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