



March 2026

March has arrived, and with that the weather starts to cool; this brings a fresh chapter and a chance to set your pace for the months ahead.

February delivered mixed signals for the Australian economy.

Labour market conditions were steady. The unemployment rate held at 4.1%, with 18,000 more people employed in January, driven by a rise in full-time jobs and partly offset by a fall in part-time roles.

Wage growth continued to edge higher, up 0.8% in the December quarter and 3.4% over the year, while household spending softened.

Inflation was slightly higher than expected, with CPI remaining at 3.8%, and trimmed inflation (the RBA's measure of underlying inflation) increasing to 3.4%, up from 3.3%.

Reporting season added its usual volatility to the share market and the ASX hit several record highs towards the end of the month.

The Westpac–Melbourne Institute Consumer Sentiment Index fell further by 2.6% to 90.5 in February, impacted by February's cash rate increase.

The Australian dollar strengthened, largely due to global risk sentiment, hitting a three-year high of USD 0.71 by month's end.



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The EOFY jobs that might matter more than you think

As the end of the financial year (EOFY) approaches, investors often focus on topping up super, maximising deductions, prepaying interest or reviewing portfolios. While these are all valuable activities, there are some less obvious tasks that can have a big impact on your tax position, wealth preservation and long-term planning outcomes.

Here are five areas that investors can often miss in EOFY planning.

1. Capital gains in volatile markets

Investment markets have been volatile in recent years, with rapid movements in equities, property and fixed income. When investors buy and sell during choppy market periods, capital gains tax (CGT) considerations become even more important.ⁱ

It is the ideal time to assess whether:

You should realise gains this year or defer them – The decision can hinge on:

- Expected income this year vs next year
- Whether you qualify for the 50 per cent CGT discount
- Available capital losses
- Investment timeframes and risk appetite

You have unused capital losses – Losses can be used to offset realised gains, but they cannot be used against ordinary income. Some investors may find that realising strategic gains before 30 June allows them to “unlock” unused losses that have been sitting dormant.

Be aware of “wash sale” rules. Some investors plan to sell an asset to realise a loss and then quickly buy it back. The ATO calls this a wash sale and may deny the loss.ⁱⁱ

2. Superannuation recontribution strategies

A super recontribution strategy is sometimes overlooked because it requires coordination between pension payments, contributions and tax components. But, when used appropriately, it may significantly reduce future tax for beneficiaries and increase flexibility in estate planning.ⁱⁱⁱ

This strategy usually involves withdrawing a portion of your super (usually from the tax free and taxable components proportionally), then recontributing these funds back into super as a non-concessional contribution (if you’re eligible).

The result is that more of your balance becomes tax free, which can reduce or eliminate the “death benefits tax” that applies when super passes to non-dependent beneficiaries, such as adult-children.^{iv}

3. Bringing forward deductions and deferring income

While prepaying expenses and deferring income is a well-known EOFY strategy, it may not be successful for everyone, so check carefully that it’s useful for you.

Bringing forward deductions – You may be able to prepay, interest on investment loans, income protection premiums, ongoing advisory fees, and professional subscriptions. But if you’re approaching income thresholds (such as Medicare Levy Surcharge minimums, private health insurance rebates or HECS/HELP repayment bands) it’s important to calculate whether repayments will actually deliver you a benefit.

Deferring income – Small businesses using cash accounting may be able to defer invoicing until July and investors might choose to delay receiving distributions or bonuses. But don’t forget that deferring income may affect borrowing capacity or government payments.

4. Managing Division 7A loans

Division 7A can catch business owners off guard at EOFY. These rules apply when a private company lends money,

pays expenses or provides assets to shareholders or their associates. If not handled correctly, the ATO may treat the payment as an unfranked dividend, resulting in significant unexpected tax.^v

To stay on top of your Division 7A obligations:

- Confirm all loans are documented
- Check minimum yearly repayments
- Consider whether to repay, refinance or restructure
- Don’t forget about company-paid personal expenses

A well-timed review can prevent unintended tax consequences and keep your structure compliant.

5. Reviewing your records

Another often missed EOFY task is checking that your records and substantiation are complete before preparing your tax return.

The ATO is increasing its use of data matching programs, so having accurate documentation is essential. This includes keeping receipts for deductible expenses and retaining statements for managed funds and other investments.

EOFY planning is about much more than topping up super or gathering receipts. Hidden traps like CGT and Division 7A timing can create unnecessary tax if ignored, while proactive strategies such as recontributions can deliver long-term estate planning benefits.

By taking a structured approach, you can ensure every part of your financial picture is working together, and no opportunity is missed. We’re here to help. Please give us a call.

i <https://www.ato.gov.au/individuals-and-families/investments-and-assets/capital-gains-tax>

ii <https://www.ato.gov.au/media-centre/wash-sales-the-ato-is-cleaning-up-dirty-laundry>

iii <https://www.superguide.com.au/super-boosters/super-re-contribution-strategy>

iv <https://www.ato.gov.au/tax-and-super-professionals/for-superannuation-professionals/apra-regulated-funds/paying-benefits/paying-superannuation-death-benefits>

v <https://www.ato.gov.au/businesses-and-organisations/corporate-tax-measures-and-assurance/private-company-benefits-division-7a-dividends/in-detail/division-7a-loans>

A row of white paper cutouts of human figures holding hands, set against a warm, golden background. The figures are arranged in a line, with their arms interlocked, symbolizing unity and family.

Ways to prevent family trust disputes

Most families don't expect disputes to arise within their trust, especially when its purpose is to protect wealth and support loved ones. But misunderstandings about control, rights or responsibilities can quickly create friction.

A little upfront planning can help preserve relationships as well as assets.

When roles, expectations and powers are unclear, disputes can arise and often at the worst possible time, such as after the death of a family member.

Why governance matters

A trust deed sets out the legal framework, but it does not address family expectations, values or the "rules of engagement" around control, communication and decision-making. That's where a trust charter or family constitution can be invaluable.

A trust charter is a non-binding but strategically important document that outlines:

- the family's vision and values
- agreed principles for managing wealth
- expectations of trustees, appointors and beneficiaries
- communication protocols
- dispute resolution processes.

For more complex families, such as those with multiple branches, blended structures or significant operating businesses, these documents can prevent misunderstandings and provide clarity across multiple generations.

For example, disputes often arise because beneficiaries don't understand the limits of their rights or the powers of trustees. Also, families often avoid talking about who will control the trust next.

In the longer term, a charter provides continuity as family members age, or retire, by providing younger family members with guidance about their responsibilities.

Trustee succession planning

A number of recent court cases have shown how the absence of agreed rules and communication channels can increase conflict, particularly when it comes to succession.

A trust's long-term stability depends heavily on what happens when the original trustee, appointor or guardian dies, becomes incapacitated, or steps aside. Many families assume the deed will automatically produce a smooth transition. Often, it doesn't.

The Cardaci dispute, an eight-year legal battle ending with a High Court decision in 2024, shows how messy trust control can become without forward planning. The case involved family members disputing the administration, decision-making powers and trustee conduct in a long running family business. The litigation demonstrates how disputes about control and succession can escalate unless families regularly review their trust structures and governance frameworks.ⁱ

Preventing disputes

Don't be tempted to "set and forget" a trust. Keeping on top of new needs and expectations as well as changing family structures may save time and money later on.

1. Review the trust deed regularly

Trusts established decades ago often contain outdated provisions and restrictive definitions of beneficiaries. Major life events, such as marriages, divorces, deaths, business restructures, should trigger a deed review.

2. Create or update a trust charter

A charter can address:

- succession intentions for trustee and appointor roles
- the philosophy behind distributions
- how beneficiaries should communicate concerns

- expectations regarding involvement in the family business
- protocols for conflict resolution.

It means that all beneficiaries are "on the same page" and it reduces emotional decision-making.

3. Clarify trustee and appointor succession

Succession for these roles should be explicitly documented. Consider:

- who should take over, and whether they have the skills
- whether multiple appointors or trustees should act jointly
- how disputes between co-appointors will be handled
- what happens if successors divorce, die, or become incapacitated.

4. Prevent power imbalances

Many disputes are triggered when one family member gains disproportionate control. Solutions include:

- using corporate trustees with independent directors
- appointor committees rather than a single appointor
- including "fit and proper person" requirements for decision-makers
- requiring successor training or external advice.

5. Document decision-making carefully

Courts expect trustees to act impartially and for proper purposes. Keeping clear records of decisions, especially when it comes to distributions, investments and amendments, can reduce the likelihood of misconduct allegations.

If you'd like support reviewing your trust governance or establishing a family charter, our team can guide you through the process.

ⁱ <https://www.hsfkramer.com/notes/disputesaustralia/2025-posts/key-lessons-from-high-court-trust-litigation>

Protect & grow wealth in uncertain times



Interest rate swings, market volatility and global tensions make one thing clear: wealth management needs both protection and growth strategies to thrive.

Finding the balance between driving growth and safeguarding capital takes a disciplined approach to portfolio construction but it could help your wealth to endure, despite the ups and downs of the market and the impact of inflation on your purchasing power.

Many investors equate balance with diversification alone. But balance means understanding how each investment or exposure contributes to the twin goals of growth and protection and whether the portfolio is robust enough to withstand challenging times.

There's no one-size-fits-all answer. Depending on age and stage in life, some investors are chasing aggressive growth while others want capital preservation.

A US study of almost a century of data confirmed that portfolios handle downturns better and recover faster if they combine growth assets with true diversifiers, including a mix of low-correlated investments and defensive assets.ⁱ

Low-correlated investments are assets that don't move in the same direction as equities, helping to reduce overall portfolio volatility. Their correlation to stocks is low or even negative. Examples include government bonds, gold, some hedge fund strategies and commodities.

Defensive assets are expected to hold their value or outperform during market downturns. They're chosen for stability and capital protection. Examples include cash, high-quality bonds, defensive equities (such as utilities, healthcare) and infrastructure.

The 'cost' of growth

Growth typically comes from listed equities, private equity, venture capital, real assets and exposures to big, long-term trends that may cut across multiple sectors. For example, healthcare innovation, energy transition or AI.

The catch? Growth invariably means volatility. If the markets dive you could feel pressure to sell at the worst time.

Defensive equities may help provide some balance. They're shares in companies that tend to provide stable earnings and dividends regardless of whether the economy is booming or in a recession. They have strong cash flow because they sell needs rather than wants, such as power, food and medicine, and they have the ability to raise prices to cover rising costs without losing customers.

While portfolio protection starts with bonds and cash, some would say they're not enough today and a broader range of assets may be more beneficial.

Other strategies

Other protective strategies may include buying bonds that mature at different intervals, such as every year for five years.

Physical investments, or real assets, such as real estate, infrastructure, commodities, natural resources and equipment can act as a hedge against inflation. When the cost-of-living increases, the value of physical assets tends to rise as well.

Alternatively, you could consider floating rate exposure or inflation-linked bonds

(known as Treasury Indexed Bonds or TIBs in Australia and Treasury Inflation-Protected Securities or TIPS in the US).

Floating-rate bonds adjust interest payments as rates change, while TIBs increase principal and interest when inflation rises, providing a hedge against rising prices.

TIBs offer further protection with a built-in deflation floor that protects your original investment if prices fall.

Currency is the silent player

If you invest globally, currency matters. So, foreign exchange planning should be an intentional decision rather than a portfolio by-product.

The Australian dollar often falls when global markets panic so unhedged overseas assets can act as a shock absorber.ⁱⁱ

But full exposure can swing returns wildly. On the other hand, a partial hedging policy, for example, hedging some developed-market bond exposures, may balance volatility and opportunity.

Finally, protection is a liquidity plan. For families using trusts, SMSFs or investment companies, keep enough cash or short-term assets to cover 12–24 months of cash needs (tax, capital calls, distributions). That's real protection.

Please give us a call to check your portfolio meets your current needs for growth and protection.

ⁱ <https://www.aqr.com/Insights/Research/Alternative-Thinking/It-Was-the-Worst-of-Times-Diversification-During-a-Century-of-Drawdowns>

ⁱⁱ <https://www.rba.gov.au/education/resources/explainers/drivers-of-the-aud-exchange-rate.html>