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BENSONS WEALTH · 2026 EDITION

The Wealth & Retirement Planning Guide

How to plan, invest, and structure your money to make work optional.

A guide for Australians approaching retirement

bensonswealth.com.au

A NOTE FROM EDEN SMITH

Director & Partner at Bensons Wealth

If you're starting to think seriously about retirement — not just when it might happen, but how you'll make it work — you're not alone.

Most people come to us with the same questions:

- "Do we have enough?"
- "When can we actually stop working?"
- "Are we set up properly?"
- "What are we missing that could bite us later?"
- And perhaps the hardest: "We've built this wealth… now what?"

Over the past decade I've had hundreds of conversations with Australians preparing for the next phase of life — families, business owners, executives, nurses, doctors, tradies, professionals. Some are nervous. Some are excited. Most are a little of both.

Here's what we've learned: there's no one-size-fits-all formula. But there is a process — a good one. **This guide is that process.**

INTRODUCTION

Why This Guide Exists

We wrote this to give you more than generic rules of thumb. You'll learn how to:

- Define your version of retirement — and the finances to support it
- Understand how much is “enough” for your goals and timeframe
- Structure wealth so you don't overpay tax or lock up capital
- Draw income strategically to reduce risk and build reliability
- Invest wisely — to protect against inflation and longevity, not just market noise
- Plan for what others overlook: Centrelink, aged care, estate planning, liquidity events, and legacy

What Makes This Different

Most retirement guides fall into two camps: too technical — jargon, charts, and disclaimers; or too vague — lifestyle clichés and unrealistic assumptions.

This guide aims to be both smart and useful — comprehensive yet clear. We've included real examples, proven strategies, and common pitfalls. It's the kind of content many firms reserve for paying clients. We're sharing it up front because trust is earned by delivering value first.

> **What This Isn't**
> This isn't personal financial advice and it doesn't replace a tailored plan. But it will help you understand the key ideas that drive good retirement outcomes, avoid common traps, and ask better questions if and when you seek professional advice.

OUR PHILOSOPHY

Our Philosophy at Bensons Wealth

Retirement isn't about stopping work — it's about choice. It's the point where work becomes optional and your money works for you.

Great retirement planning isn't a transaction; it's a partnership that evolves as life does. Real life isn't linear — so your plan shouldn't be either.

How to Use This Guide

- Read front-to-back or jump to the sections that matter most.
- Watch for tips, case studies, visuals, and FAQs.
- If something feels complex — don't worry; we'll unpack it.
- When you're ready, we're here to help you put it into action.

So, let's begin.

Warm regards,

Eden Smith

Director & Partner, Bensons Wealth

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SECTION ONE

Start with the Life You Want

Before the numbers, we need to define the vision. Retirement isn't just a date — it's a decision about how you want to live when work becomes optional.

For most people, it's a shift, not a stop. The real question isn't “When can I retire?” — it's “What will life look like when I do?” That's where good planning begins.

What Does “Work Optional” Really Mean?

We often talk about financial freedom. But the real goal for most people isn't to stop working — it's to stop *needing* to. That's what we call work optional: the ability to work if you want to — not because you have to.

And before we talk about capital, income, or strategy, we need to answer a more important question: what does a fulfilling life look like for you, when work is no longer the anchor?

Your Ideal Retirement Isn't Just About Age — It's About Design

Some people want to retire fully and travel. Others prefer more family time, volunteering, creative projects, or part-time work. There's no single version of retirement — so the right financial strategy must reflect your design for a great life.

The Three Phases of Retirement

We often help clients map their future into three stages:

The Active Years (60s to early 70s)

- Travel, hobbies, adventure
- Lifestyle upgrades and early gifting
- Higher spending, higher energy

The Settled Years (mid-70s to early 80s)

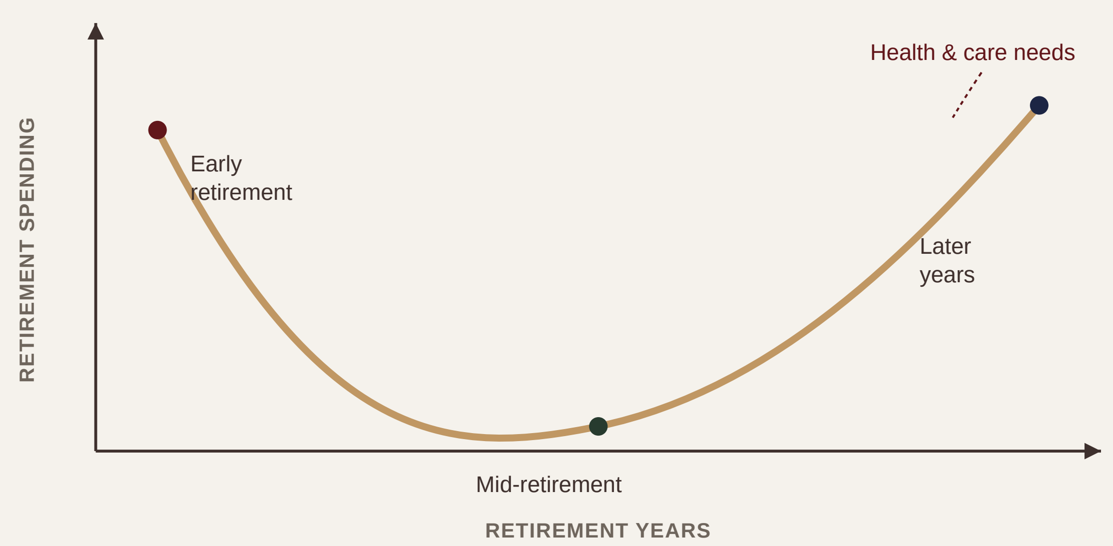
- More time at home or in the local community
- Simpler routines, domestic travel
- Health starts to shape decisions

The Later Years (80s+)

- Greater focus on health, safety, and care
- Potential aged care costs, help at home, or residential care
- Estate planning and intergenerational transfer become key

Why this matters

Your income needs rise and fall over time. These phases guide how much you'll need, when you'll need it, and how we structure investments, cash flow, and tax. (More on this later.)



Retirement Spending Over Time — the “smile curve”

REAL EXAMPLE

Mark & Julie

- Mark (59), Julie (58), both healthy and active
- Mark was working full-time, Julie was semi-retired
- ~$2.2M in investment assets + mortgage-free home

Mark wasn't sure what retirement looked like. He worried he couldn't afford to stop.

What we did: mapped out their lifestyle goals (travel, time with grandkids, volunteering), costed those goals and built a phased plan, then modelled different timelines and spending scenarios.

Outcome: They realised they could retire next year — confidently.

“I thought I had to keep working. Turns out, we'd already done the hard work. I just needed someone to show me the path.”

Common Mistakes We See

Jumping to numbers without defining lifestyle

Your vision drives the strategy. Without clarity, the plan is just guesswork.

Assuming spending is flat

Retirement spending is often a “smile curve”: high early, lower mid-way, higher again later (care needs).

Planning too rigidly

Life changes. Plans should be flexible enough to adapt — especially as health, family, and markets evolve.

3 THINGS TO REMEMBER

- Retirement is personal — not just a milestone, but a life transition.
- Lifestyle comes first. Numbers come second.
- Planning by phases helps you align money with meaning.

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SECTION TWO

How Much Do You Need to Retire?

Retirement isn't about a magic number. It's about building a work-optional life — and knowing your money can support it, reliably, for decades.

And while everyone asks, “Do we have enough?”, the real question is: **“Enough for what?”**

To answer that, we need to connect three things: your capital → the income it generates → the lifestyle you want.

> **Note on examples**
> Unless stated, figures are after tax and shown in today's dollars. Return assumptions are nominal and net of fees. We model inflation separately so purchasing power is protected over time.

Step 1: Define Your Income Needs

Your spending won't look the same every year — but you still need a baseline. Start with this question: what's the after-tax income you'd like to have each year to live comfortably — and happily? Here's a rough guide that we see across our firm:

LIFESTYLE	EXAMPLE ANNUAL SPENDING
Essentials Only	$60K–$80K (bills, groceries, basics)
Comfortable	$100K–$120K (travel, social life, grandkids)
High-End	$150K–$300K+ (frequent overseas trips, gifting, hobbies, flexibility)

**We index clients' spending to inflation in our models so their lifestyle keeps pace with rising costs.*

Your number depends on other factors like: will your mortgage be paid off? Are you planning more travel? Are the kids still financially dependent? Do you want to help them buy homes or cover costs like weddings?

Once we've got this number, we can then start reverse-engineering how much capital you'll need to support it.

Step 2: Decide — Will You Preserve or Spend?

This is one of the most important questions in retirement planning — and it shapes how much you'll need. First, let's define capital:

Retirement capital

The total amount of money and assets you've built up to support yourself once you stop working. It includes your super, savings, investments, and anything else that can help pay for your lifestyle in retirement.

You've got two main choices when it comes to funding your lifestyle in retirement:

CHOICE	WHAT IT MEANS
1. Preserve Capital	Live off your investment income only (interest, dividends, rent). You don't touch the original capital.
2. Deplete Capital	You draw down your nest egg over time, intentionally spending it as you go.

There's no right or wrong — just what's right for you. But it does make a big difference to how much you'll need. Whilst everyone is different, most of our clients are comfortable somewhere in the middle. They are comfortable depleting some capital but still want to ensure their estate receives an inheritance.

Set an estate target

If leaving a legacy matters, nominate a minimum amount to retain in today's dollars. Your drawdown strategy then balances lifestyle today with that end goal.

Let's put this into real numbers:

- **If you retired with $1.5M** — at a 7% return, that would generate about $105K p.a. If you only spent this amount, your capital would remain intact (before considering tax, inflation, and return volatility).
- **If your goal is $150K p.a.** — your investment returns alone won't cover it. To reach that level, you'll need to draw down some capital each year.

In practice we index your income to inflation assumptions, so the $150K target grows each year to preserve purchasing power. The key with depletion is doing what's right for you. Our clients often find a balance — so they can enjoy their money while they're active, without running the risk of it running out too soon.

REAL EXAMPLE

Colin & Marie

Colin (61) and Marie (59) came to us with ~$2.4M in assets — mostly in super, some cash, and an investment property. They thought they needed over $3M to retire, so Colin kept working longer than he wanted. Here's what changed after our conversations:

- They were comfortable spending some capital over time
- Legacy wasn't a major goal — their kids were already doing well
- They prioritised travel now, with a plan to downsize later

We modelled it out: they could support $150K p.a. (indexed), retire earlier than expected, their capital would last beyond age 90 with a safety buffer, and they had full flexibility if aged care or other needs arose.

"We realised we were already in a better position than we thought. We just needed a plan to prove it."

Capital Depletion: What Does It Actually Mean?

Capital depletion doesn't mean spending recklessly or running out of money halfway through retirement. It means planning your capital to last as long as you need it to — with a margin of safety built in.

In practice, it often looks like a balance: living partly off investment returns while also drawing down some assets in a measured way. Many clients want to:

- Spend some capital while they're active and healthy
- Keep a buffer for aged care or later-life costs
- Leave something behind, but not necessarily every dollar

That's completely viable — and often more efficient than trying to preserve everything.

The "Safe Withdrawal Rate" Trap

You've probably heard of the 4% rule — but it's outdated. It usually assumes a 30-year retirement, flat spending, US tax systems, and consistent investment returns (no market volatility).

We build more dynamic models that include inflation and changing spending needs, tax strategies, Centrelink integration, and spouse longevity planning.

Bottom line: Ballpark rules are helpful — but proper planning creates precision.

REAL EXAMPLE

John & Amanda

John (58) was ready to slow down, earning approx. $150K p.a. Amanda (56) was still working, earning $300K p.a. They had ~$4.5M in total assets — but also a $1.78M mortgage.

Goals: help their kids buy property and cover weddings, travel often, and maintain financial security and flexibility.

Our modelling showed:

- John could retire in 12–18 months
- A $180K p.a. lifestyle could be sustainable under the stated assumptions
- Over $1.2M capital would remain at age 95
- They could gift ~$100K to their kids in the next 5 years
- Tax savings of ~$15K–$20K per year using smart structuring

"We thought we'd have to scale back. Instead, we realised we had options — and that's changed everything."

Why Your Number May Differ (and that's okay)

The capital estimates above are a useful starting point, but they don't tell the whole story. Your actual “number” will depend on many variables, including:

FACTOR	WHY IT MATTERS
Investment approach	Higher return potential lowers starting capital — but increases risk.
Retirement timing	Delaying retirement reduces required capital and extends growth time.
Downsizing	Can unlock significant additional capital.
Age Pension	Even part-pension can ease pressure on investments.
Asset sales	Business/property sales can top up the pool at any time.
Big expenses/gifts	Shift liquidity needs and timing.
Preserve vs spend	Drives drawdown design and portfolio structure.

That's why retirement modelling — not guesswork — creates clarity.

3 THINGS TO REMEMBER

- There's no magic number — only a lifestyle-driven strategy
- You can spend your capital — if it's done purposefully and sustainably
- Proper modelling brings clarity, flexibility, and peace of mind

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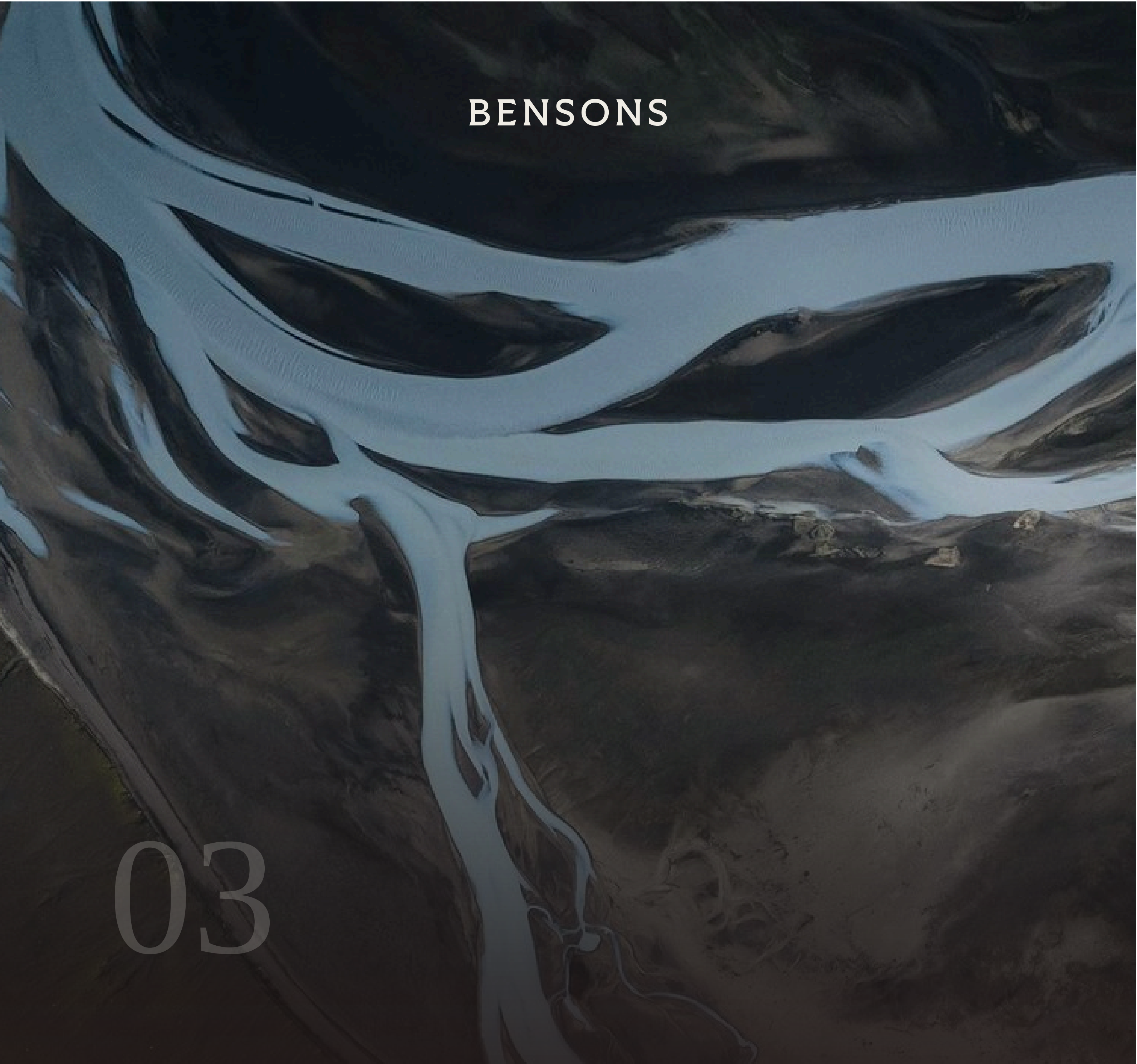

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SECTION THREE

Structuring for Control, Tax & Flexibility

Where your money is held can be just as important as how much you have.

Why Structure Matters More Than You Think

When most people think about retirement, they focus on “the number.” “Do I need $2 million? $3 million? Is it enough?” But what often matters more is how your wealth is structured.

Think in containers (or “buckets”): each container has different tax rules, access rules, and estate outcomes. The right mix helps you keep more, access more, and leave a cleaner legacy.

Bottom line: Smart structuring lets you keep more of what you've already built.

The Power of Smart Structuring: A Tax Example

Same investments. Different outcomes. Let's look at three investors. Each has $1.5M in the same portfolio returning ~$100,000 p.a. (≈6.7%). The only difference? Structure.

They all have the same portfolio, the same returns, the same amount of capital. But how that income is taxed — and how much they get to keep — depends entirely on the way their assets are structured.

> For simplicity, let's assume this is not their only income, their broader situation affects their marginal tax rate or distribution method, and the figures below are illustrative — in real life, tax outcomes are often a blend.

TAX RATE & STRUCTURE	NET INCOME	WEEKLY INCOME
John — 47% tax (personal name)	$53,000	~$1,000/wk
Susan — 30% tax (blended structure)	$70,000	~$1,350/wk
David — 0% tax (super-pension phase)	$100,000	~$2,000/wk

**These numbers are illustrative only and ignore factors such as franking credits.*

Despite having the same amount of money, and the same investments, John and David have a $47,000/year difference — or nearly $1,000 per week. Whilst this example is simplified, the takeaway is real: smart structuring can increase your income significantly — without changing your initial investment.

Now imagine the long-term impact of that extra income:

- More freedom to spend without worry
- Greater ability to preserve capital
- Better lifestyle outcomes, with no extra investment risk

This is the power of smart structuring. It doesn't just help you keep more — it helps you live more.

Your Wealth Sits in Different “Containers”

Each container is a structure — a legal and tax environment for holding money. These structures determine:

1. Tax treatment (e.g., 0%, 15%, 30%, 47% or your marginal rate)
2. Access rules (when and how you can use the funds)
3. Estate outcomes (how cleanly money passes to loved ones)
4. Flexibility (to pivot your strategy over time)

Wealth Structures (Explained Simply)

STRUCTURE	WHAT IT IS	KEY CHARACTERISTICS
Superannuation	Retirement savings vehicle	Tax-free in pension phase · Locked until preservation age · Great for long-term wealth
Personal / Joint	Assets in your or your spouse's name	Fully accessible · Taxable at marginal rates (up to 47%) · CGT discount after 12 months
Family Trust	Discretionary trust structure	Stream income to low-tax beneficiaries · Asset protection potential · Needs careful admin
Investment Company	Company holding for investment	30% tax rate · No CGT discount · Great for long-term reinvesting
SMSF	Self-managed super fund	Full control · Can invest in direct property or private investments · More compliance admin
Property	Your home or investment property	Main residence: CGT-free + not assessed for Centrelink · Investment property: taxable income + CGT when sold · Can unlock downsizer super contributions

The key is coordinating these to work together — **not in silos.**

What Super Actually Is (And Why It's So Powerful)

Superannuation is not an investment. It's a structure — a container. You are able to choose what to invest in inside it. Generally, you outsource this decision to your super fund, and they select how they invest your money.

Think of it like a shopping basket: the basket is “super” — with special rules (e.g. when you can access it). The contents are your investments — shares, property, bonds, cash, etc.

- In retirement, your super can pay you a tax-free income
- You can shift large sums in via smart contribution rules
- It's usually the best long-term vehicle to fund your lifestyle

Why It Matters in Retirement

If your structures are poorly set up, you could pay more tax than necessary, miss Centrelink opportunities, lose control over where your money flows, or leave behind a complex or inefficient estate.

But when your structures are optimised, you unlock lower taxes, flexible income access, smoother estate planning, and the ability to adjust for life changes or markets.

Strategic Tip

The earlier you plan your structure, the more options you unlock. Many of the best moves (like contributing to super or restructuring assets) must happen *before* retirement.

Super Contributions: A Final Window of Opportunity

In your 50s and 60s, you may still be eligible to shift large amounts into super — even if you're close to retirement. These strategies can turn taxed assets into future tax-free income.

CONTRIBUTION TYPE	LIMIT	KEY BENEFIT
Concessional (before tax)	$32,500 p.a. (plus catch-up if unused)	Tax-deductible — reduces income tax
Non-Concessional (after tax)	$130,000 p.a. or up to $390K (bring-forward rule)	No upfront tax — can grow tax-free in super
Downsizer	$300K per person (no age limit if 55+)	Add to super from home sale — even past other caps

Note: Caps shown are for FY26; bring-forward is based on the cap when triggered; eligibility depends on age/TSB/TBC and timing rules.

CASE STUDY

Simon & Marlene

Simon and Marlene recently sold a business and had proceeds in cash and were unsure what to do with the money: $390K from a business sale and $650K from downsizing the home.

We helped them contribute: $220K each via the bring-forward rule, and $300K each via the downsizer rule.

Result: $1.04M moved into super — now producing tax-free retirement income.

3 Core Objectives of Retirement Structuring

1. Tax Minimisation

- Super income = 0% in pension phase (age 60+)
- Trusts can distribute to low-tax family members
- CGT can be managed via timing and structure

2. Access Flexibility

- Super has drawdown rules — needs sequencing
- Personal assets are always accessible
- Trusts and companies allow controlled distributions

3. Estate Planning Efficiency

- Super death benefits may be taxed at 15–17%
- Testamentary trusts can reduce tax for beneficiaries
- Structures can protect wealth for vulnerable heirs

EXAMPLE

Sarah & James

Ages 63 and 60. Net assets $3.1M ($1.4M super, $800K personal, $600K trust, $300K cash). Goals: retire in 2 years, minimise tax.

Strategies used: $300K downsizer + non-concessional contributions; testamentary trust in wills for adult children; transitioned super to pension phase; income streamed from trust to lower-taxed son pre-retirement.

Outcome: Tax dropped from ~$26K to <$5K; flexible income from multiple sources; estate protected from death benefit tax.

Structuring Opportunities People Miss

- Not contributing to super early enough (especially for the younger or lower-balance spouse)
- Leaving everything in accumulation phase when tax-free pension phase is available
- Failing to plan for minimum drawdown requirements (which increase with age)
- Holding high-income assets in high-tax structures (e.g. high-yield shares in personal names)
- Not reviewing outdated trust or company arrangements

KEY TAKEAWAY

- Great financial planning isn't just about growing wealth — it's about structuring it well.
- The better your structures, the more freedom and control you'll have to enjoy retirement your way.

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SECTION FOUR

How to Draw an Income in Retirement

Your income strategy can make or break your retirement. It's the only phase of life where your income stops — and you have to create your own paycheck.

And you want your income to be predictable, sustainable, and tax efficient. But drawing income isn't just about "taking money out." It's about designing a system that supports your lifestyle and protects your capital. Let's walk through the strategy we use with clients every day.

Step 1: Understand Your Cashflow Profile

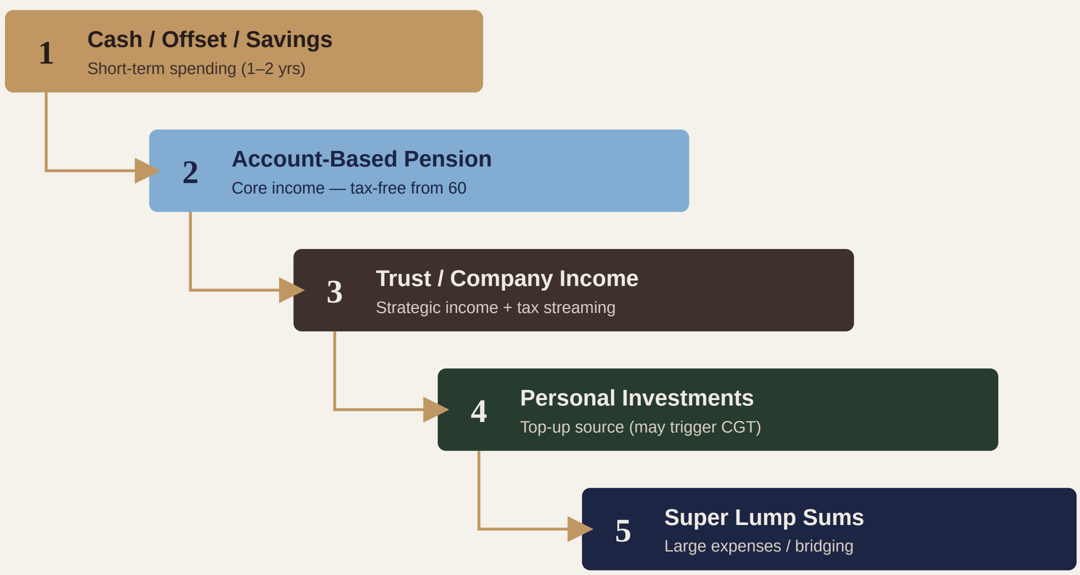
Start by knowing your retirement income needs:

- How much do you need weekly or monthly to live comfortably?
- What costs are fixed vs. flexible?
- Do you have lump sums coming up? (new car, renovation, gifting kids?)
- Are you factoring in inflation?

You need income that's **reliable** month to month, **flexible** for one-off expenses, **sustainable** for the next 25–35 years, and **tax-efficient**, to preserve your capital.

Step 2: Build a Cash Flow Waterfall

Don't just pull from one pot. Sequence matters. A well-designed cash flow strategy doesn't rely on one source. Instead, it follows a "waterfall" model, drawing from different buckets in a logical sequence.



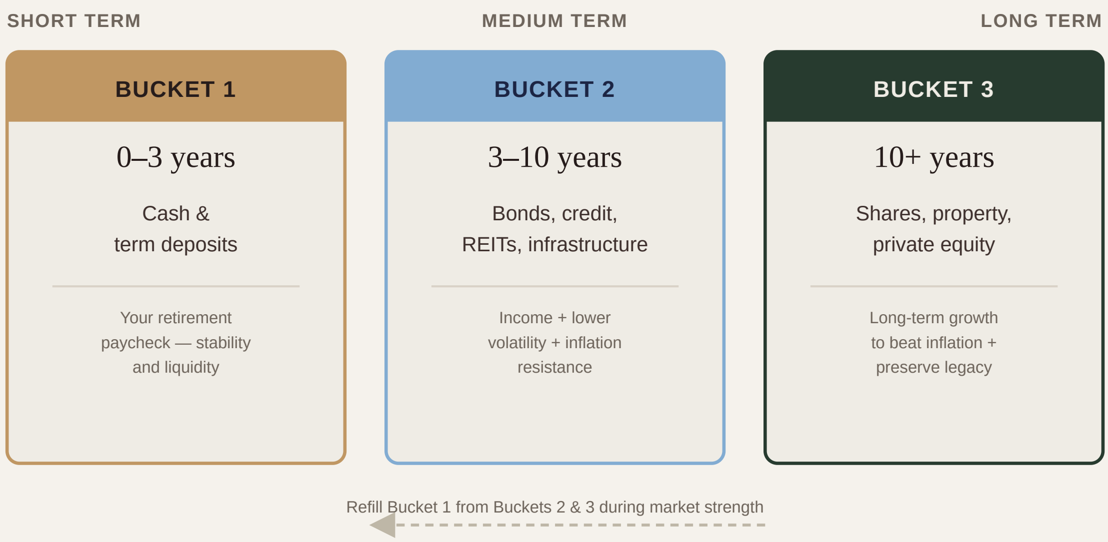
The Retirement Income Waterfall — drawing from each source in sequence

Remember

Sequence can change over time. The goal is to stay tax-smart and cashflow-safe.

Step 3: Use a Bucket Strategy

This is how we mitigate the risk of volatile markets — while giving you peace of mind. A bucket strategy divides your investments by time horizon, so you're not forced to sell shares during downturns just to pay bills.



The Bucket Strategy — matching investments to time horizons

As Bucket 1 runs low, we refill it by reinvested dividends/distributions and selling assets from Buckets 2 or 3 (during market strength).

The Biggest Risk Isn't the Market — It's Behaviour

When markets fall, panic sets in. If you're pulling income from volatile investments during a downturn, you may sell at the worst time — locking in losses. The bucket strategy prevents this. By having 2–3 years of expenses set aside, you avoid panic, ride out market storms, and stay in control.

CASE STUDY

Helen (63, newly retired)

Assets: $3.2M across super, trust, and personal investments. Income goal: ~$140K p.a. Other goals: gifting to kids, regular travel, long-term capital preservation.

What we did:

1. Held $280K in Bucket 1 (cash and term deposits)
2. Drew $60K from an account-based pension (tax-free)
3. Streamed $50K from a family trust to her and her spouse
4. Received $30K in franked dividends from equities
5. Refilled Bucket 1 each year with surplus income + strategic sales

Tax paid: <$5,000 for the household. **Capital position after 3 years:** $100K higher than forecast, thanks to solid market returns.

“I knew we had enough. I just didn't know how to turn it into income. Now I feel like we've built a system that works.”

Common Traps to Avoid

No cash buffer

Forces investment sales during downturns when money is required.

Overdrawing from super

Neglects tax planning opportunities elsewhere.

Forgetting minimum drawdown rules

Super rules increase mandatory withdrawals as you age.

Assuming dividends will always be reliable

Dividends aren't always reliable. Plan for variability.

Not reviewing drawdown strategy annually

Your spending, tax position, and goals change over time.

Pro Tip — Review Your Income Plan Every 12 Months

Just like a business reviews its budget, your retirement income plan should adapt to changes in markets, updated tax thresholds, new spending goals, and lifestyle shifts or family events.

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SECTION FIVE

Investing in Retirement

How to grow and protect your wealth once the paychecks stop. Retirement doesn't mean you stop investing — it just means the goal changes.

You're no longer working for your money — your money needs to work for you. That means generating reliable income, protecting your capital from inflation and market shocks, and still giving yourself room to grow.

Done well, your portfolio can cover your lifestyle comfortably, keep pace with rising living costs, and preserve capital for your later years (or family legacy). But to achieve this, your strategy must shift.

Why Retirement Investing Is Different

Most people are used to accumulating wealth before retirement — adding to super, buying shares, reinvesting dividends. In retirement, you move into the drawdown phase — where you start taking money out. This creates three big challenges:

1. Sequencing Risk Is a Real Threat

It's not just about the average return — it's *when* the returns happen that matters. If markets drop early in retirement and you're forced to sell investments to pay the bills, you can permanently damage your capital base. A 7% average return isn't much comfort if your portfolio falls 15% in year one and you have to sell investments at a loss to fund living costs. That's called sequencing risk — and it's one of the biggest risks in retirement.

2. You Need Consistent Income

Your portfolio has to replace your salary. That means it must generate regular, predictable income — while still leaving room for growth.

3. Your Plan Must Be Flexible

Markets change. Tax laws change. Life changes. A good retirement portfolio must adapt to all of it.

How We Think About Investing

Retirement investing isn't about picking the next hot stock. It's about aligning your money to your life. Done well, a retirement portfolio does three things:

1. Covers your lifestyle — reliably.
2. Preserves your wealth — efficiently.
3. Gives you confidence — so you can enjoy life without stress.

Our approach starts with purpose. What do you need your money to do? When do you need it? How should it behave?

The Real Role of Investing in Retirement

You're not trying to “beat the market.” You're trying to build a life you love — with confidence, predictability, and flexibility. Your portfolio should replace your income, manage your risks, reduce your tax drag, and support your goals — from travel to legacy.

> In retirement, you're no longer investing just to grow wealth — you're investing to **generate income, protect your capital, and outpace inflation.**

Asset Classes: What They Are & Why They Matter

Different types of investments (called asset classes) serve different roles. Some are designed to grow over time. Others are focused on stability and income. A well-structured portfolio blends the right mix — tailored to your goals, timeline, and tolerance for risk.

Cash

What it is: Money in the bank, term deposits, high-interest savings accounts. **Why it matters:** Cash provides certainty. It's the safest place to hold funds for the short term.

When to use it: to fund the next 1–2 years of retirement income, to cover large one-off expenses (e.g. a new car or holiday), and to give you peace of mind during market downturns.

> **Tip**
>
> Holding too much in cash can erode your wealth over time due to inflation. But having too little can lead to panic selling in a crisis.

Bonds & Credit

What they are: Investments where you lend money to governments, companies, or funds in exchange for interest — government bonds, corporate bonds, hybrids, and private credit funds. **Why it matters:** these sit between cash and shares in terms of risk. They provide predictable income and can offer stability when markets are volatile.

When to use them: as your core income engine in retirement, to reduce the ups and downs in your portfolio, and when you want a more stable alternative to shares.

Example: Many of our clients use a mix of credit investments (like private credit and floating-rate notes) to generate regular income while keeping risk in check.

Shares (Equities)

What they are: Ownership in companies — either directly (buying individual shares) or via funds (like ETFs or managed funds). **Why it matters:** Shares are your main growth engine. Over the long term, they help beat inflation and preserve purchasing power.

When to use them: for the long-term part of your portfolio (10+ years), if you want to leave a legacy or need your wealth to last several decades, and to generate franked dividends or global income if structured well.

> Shares can be volatile — which is why we typically don't rely on them for short-term income.

Property & Infrastructure

What they are: Investments in real estate, infrastructure (like toll roads or data centres), and listed property trusts. **Why it matters:** these often provide a mix of steady income and capital growth, and some offer a buffer against inflation.

When to use them: if you want an additional source of income beyond shares and bonds, if you value physical or tangible assets, and as part of a diversified income strategy.

Example: Retirees may invest in infrastructure funds that deliver quarterly income from assets like airports and utilities.

Alternatives

What they are: Investments that don't fit neatly into the above categories — private equity, hedge funds, commodities, or tailored strategies. **Why it matters:** these can diversify your portfolio and sometimes offer non-market-correlated returns.

> **Caution**
> Alternatives can be powerful — but aren't always transparent or liquid. Selectivity matters.

So, Why Does This All Matter?

Because in retirement, your capital needs to be available when you need it, generate the income you want, and last as long as you do. Each asset class contributes something different. When combined intentionally, they form a purpose-built portfolio that works for your lifestyle — not just in theory, but in practice.

Asset Allocation: The Strategy Behind the Mix

Knowing what to invest in is one thing. But knowing *how much* to invest in each type — and why — is what really drives outcomes. This is called asset allocation, and it's one of the most important decisions in retirement planning.

What Is Asset Allocation?

It's how you divide your total investments across different asset classes.

- Too much in shares? Your portfolio might fall too far in a market downturn.
- Too much in cash? You'll fall behind inflation and risk running out of money.
- Too much in one asset type? You may face unnecessary risk or inconsistent income.

A good allocation strategy balances your need for income, your tolerance for risk, your timeline (short, medium, long term), and your tax structure.

AN EXAMPLE

Sarah & James

Sarah and James are 67, semi-retired, and need $110,000 p.a. in income. Here's how we built their asset allocation:

TIMEFRAME	PURPOSE	INVESTMENT TYPE	ALLOCATION
0–3 yrs	Income buffer (certainty)	Cash, short-term credit	15%
3–10 yrs	Reliable income	Private credit, listed income funds	35%
10+ yrs	Growth and legacy	Global equities, infrastructure, REITs	50%

This structure gave them confidence they could meet short-term expenses, consistent income, and long-term growth to maintain wealth over 20+ years. And all of it tailored across super and personal names for tax efficiency.

Takeaway: Asset allocation isn't just about numbers — it's about matching your money to your life.

Manager Selection: Passive vs Active

Some clients like passive index funds. Others prefer stock picking high-conviction managers. Both are tools — not philosophies. We blend passive for broad, low-cost exposure, and active where expertise adds value (e.g. credit, global shares, alternatives). The key is alignment — to purpose, cost, and control.

Example: We may use low-cost ETFs in one part of your portfolio, and specialist private managers in another. It's not either/or — it's what's fit for purpose.

Bespoke Portfolios vs Off-the-Shelf Super

Most Australians have the bulk of their retirement savings in pooled super funds. There's nothing wrong with that — but they're not built for you.

Off-the-Shelf (Default Super Funds)

These are pooled investments — meaning your money is mixed with that of thousands of others and invested in a generic portfolio. They're simple, automated, and low-cost — but come with trade-offs:

- You can't tailor income or tax strategies
- You're locked into a standard asset mix
- You often don't know what you're actually invested in
- You can't adjust the portfolio as your life evolves

Default super can be a great accumulation tool — but for retirement, where income, tax, liquidity and estate planning matter more, it's often too blunt.

A Bespoke Portfolio

Built for your goals, income needs, tax structure, and values:

- Tailored to your timeline and income drawdown
- Structured for tax efficiency (especially in pension phase)
- Adjusted for your risk tolerance and long-term legacy
- Able to include assets you value — e.g., private credit, ethical investing, direct shares
- Professionally managed with transparency and flexibility

You're not the same as everyone else. **Your portfolio shouldn't be either.**

A QUICK EXAMPLE

Helen & Peter

Helen and Peter were in a balanced super fund heading into retirement. It worked well while they were still working — but when they needed to start drawing income, things got messy. They didn't know which investments were producing income vs capital. Their super fund sold off assets to meet payments — even when the market was down.

Now they've moved to a tailored portfolio, where income flows are mapped out, tax is minimised, and investments align with their goals.

Our 3 Core Investment Principles

Principle 1: Segment Your Portfolio by Time Horizon

We don't manage retirement portfolios as one big pot. We break them into buckets, each with a specific purpose and timeframe:

- **Short-term (0–3 years):** cash, term deposits, short-term credit. Purpose: liquidity and peace of mind; replenished regularly from income or asset sales.
- **Mid-term (3–10 years):** reliable income-producing assets — listed credit, hybrids, private credit, infrastructure income, property trusts. Purpose: steady cash flow, low-to-moderate risk.
- **Long-term (10+ years):** growth assets — equities, property, private equity. Purpose: beat inflation, support longevity, preserve purchasing power.

This structure means you can draw income from low-risk sources and leave your long-term investments untouched during downturns.

Principle 2: Income Should Be Engineered — Not Assumed

Too many retirees rely on just one- or two-income sources (e.g. dividends from Aussie shares). That's risky. Instead, we build multi-source income portfolios, using a blend of:

- Super pension payments (tax-free after age 60)
- Trust distributions (where applicable)
- Australian shares (with franking credits)
- Global dividend strategies
- Private credit and floating rate notes
- Rental income (if applicable)
- Fixed income and term deposits

This gives you more consistency (less dependence on one asset or market), more control (income across multiple structures), and less tax drag (smarter asset placement = better net returns).

Principle 3: Focus on What You Keep — Not Just What You Earn

A 7% return sounds great — until you lose half of it to tax or inflation. That's why we always focus on after-tax, after-fee, after-inflation returns — the amount that actually ends up in your bank account.

It's important to tailor portfolios to the structures you use (super, trust, personal), your drawdown needs, and your risk profile and future goals.

CASE STUDY

Michael & Tania

Ages: early 60s, recently retired. Net wealth: ~$4.6M ($3.2M super, $800K personal investments, $600K in investment company). Goals: $180K income p.a., low stress, ongoing growth.

What we built:

- $320K in cash and term deposits (2 years of drawdowns)
- $1.2M in diversified income assets (credit funds, fixed income, infrastructure)
- $3M in diversified Australian, global and sustainable equities
- Split across super, personal, and company structures

Outcome: reliable income with low volatility; target return ~7.5% p.a. (net); flexibility to adapt as life changes.

"We didn't want to sit in cash — but we also didn't want sleepless nights. Bensons helped us find the right balance."

Off-the-Shelf vs Bespoke: Why It Matters More Than You Think

Most Australians are invested in “off-the-shelf” portfolios — think super fund default options, risk-based ETF blends, or model portfolios with little personalisation. These aren't necessarily bad. In fact, many are well-diversified and cost-effective. But they are built for the average retiree. Not for you.

At Bensons, we prefer bespoke portfolios — tailored to your lifestyle goals, tax structures, cash flow needs, and broader wealth plan. Here's why it matters:

	OFF-THE-SHELF	BESPOKE PORTFOLIO
Designed for	The average investor	Your specific goals and circumstances
Tax efficiency	Generic	Optimised across super, personal, trusts
Asset allocation	Set templates (e.g. Balanced 70/30)	Based on drawdown, age, risk, etc.
Income strategy	Passive or dividend-only	Engineered, multi-source, predictable
Adaptability	Limited	Fully flexible and reviewed regularly

Common Mistakes We See

Going too defensive too early

Cash feels safe, but long-term it erodes your wealth via inflation.

Not adapting as you age

Your strategy at 60 may not suit you at 75.

Chasing high-yield stocks without a plan

Chasing yield can lead to risky concentration or volatile income.

Neglecting the global opportunity set

Many retirees are overly reliant on Aussie shares. That's a home bias risk.

Not planning for lump sums

Need to renovate, replace a car, or help a child? These events need to be pre-funded or accounted for.

FINAL THOUGHT

- A well-built retirement portfolio doesn't just grow wealth — it reduces anxiety, builds confidence, and gives you the freedom to enjoy life.
- It's not about picking shares. It's about aligning your investments with your life — across timeframes, tax structures, and income needs.

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SECTION SIX

Other Planning Considerations

Beyond your portfolio: the overlooked decisions that can shape — or sabotage — your retirement.

Even the best investment strategy can be undone if other parts of your retirement plan are ignored. In our experience, four key areas often surface as blind spots — and when left too late, they create stress, complexity, and tax leakage. Handled proactively, these areas can enhance your financial outcomes and support your overall peace of mind.

The four most common blind spots
Property decisions · Centrelink eligibility · Aged care strategy · Estate planning & inheritance

1. Property Strategy: Unlocking Equity, Not Emotion

For many Australians, the home is both the heart and the bulk of wealth. Key questions we help clients address:

- Will you stay in your current home, or eventually downsize?
- Should you sell the investment property or keep it?
- What are the CGT implications of selling? (if any)
- Could the sale unlock a downsizer super contribution?
- Would it be smarter to release equity rather than sell?

Tactic: Downsizer Super Contributions
Available to over-55s. Contribute up to $300K per person ($600K per couple) from home sale proceeds. Doesn't count toward regular non-concessional caps.

CASE EXAMPLE

Margaret & John

- Sold $2.2M home → purchased $1.5M townhouse
- Contributed $600K into super
- Gained tax-free income, simplified their estate, and improved Centrelink eligibility
- $600K in super → ~$42K p.a. income (at 7% return)

2. Centrelink Strategy: Not Just for Pensioners

Many retirees assume Centrelink won't apply to them. But with smart planning, even financially comfortable couples can become eligible for part pensions or the valuable Commonwealth Seniors Health Card. Considerations:

- Super in pension phase is assessable
- Investment income is deemed — not actual
- Trusts and companies affect asset/income tests depending on control and distributions
- The family home is exempt from the assets test
- Strategic spending or gifting (within limits) can help reduce assessable assets

Tactic: Restructure Assets Thoughtfully

Shift assets from “assessable” (e.g. shares, bank accounts) into “non-assessable” areas like funeral bonds, home improvements, and permissible gifting strategies (up to allowable limits).

3. Aged Care: Plan Now So You Don't Panic Later

Aged care decisions often happen under pressure — after a fall, a diagnosis, or an urgent hospitalisation. Planning ahead avoids financial panic and protects family harmony. Critical considerations:

- Will care be in-home or residential?
- Understand the funding model: RAD (lump sum) vs DAP (daily payment)
- What if one partner needs care and the other stays in the home?
- How do aged care costs impact your Centrelink or tax position?

Tip: Have a Liquidity Plan for the RAD

Most residential care facilities expect a $500K–$800K lump sum deposit. This often needs to be funded without distress-selling core investments or property.

CASE STUDY

Kevin & Annette

- Kevin required aged care
- Annette stayed in the family home
- Funded Kevin's $550K RAD using super + trust assets
- Preserved home and retained household financial control

4. Estate Planning & Inheritance: Preserve Control, Reduce Tax

Estate planning isn't just about distributing your assets — it's about control, timing, and tax efficiency. Many retirees unintentionally pass on large tax bills or loss of control by not planning well. Critical areas we review:

- Are your superannuation nominations binding (and non-lapsing)?
- Have you planned for the 17% death benefits tax to adult children?
- Do you need a testamentary trust to protect vulnerable beneficiaries?
- Who will control trusts, companies, or SMSFs after you pass?

EXAMPLE — SUPER DEATH TAX AVOIDANCE

Client: $1.2M in super (with adult kids). **Risk:** ~$120K death benefits tax.

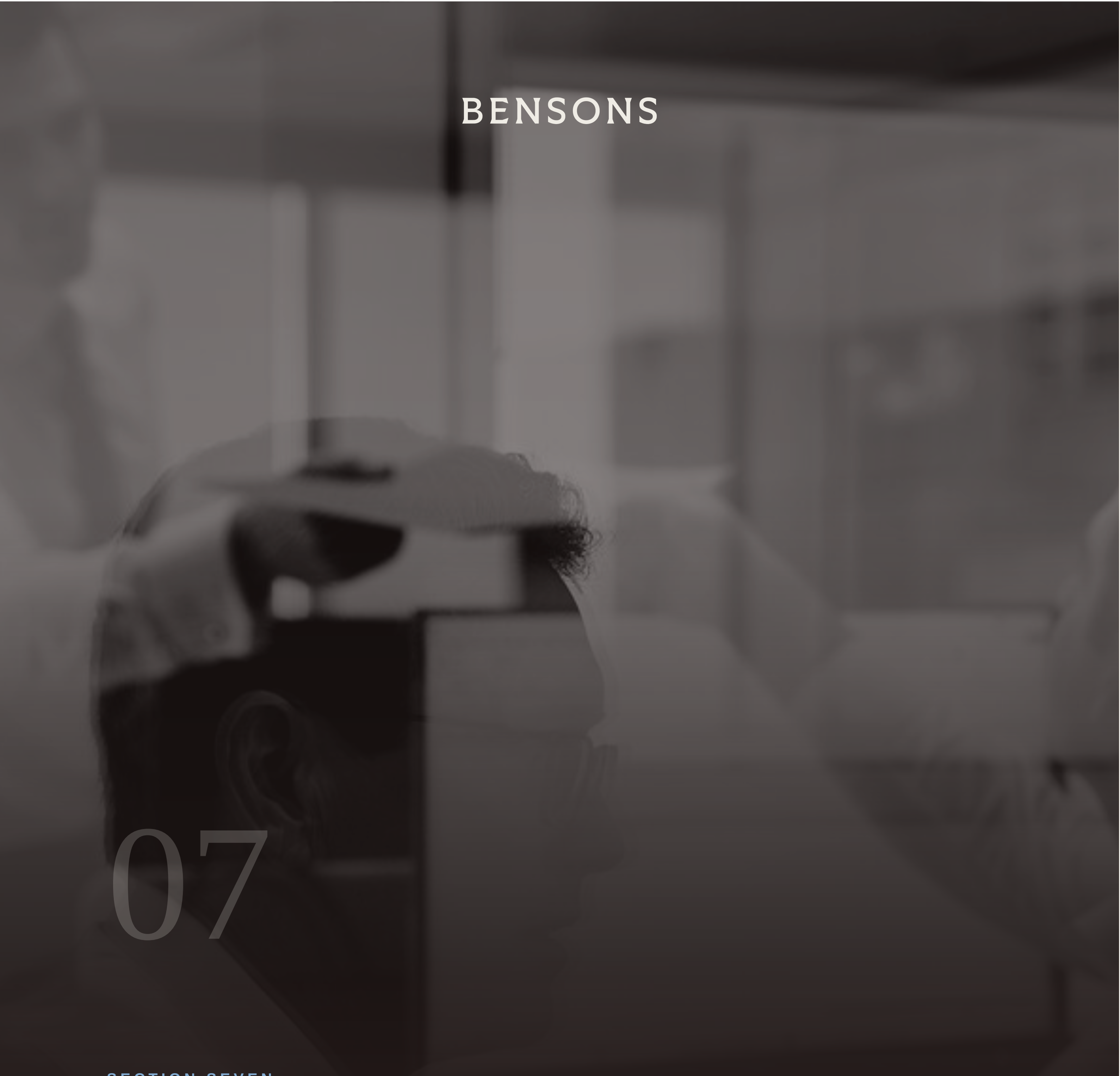
Strategy: partial withdrawals + recontributions; reversionary pension setup; strategic beneficiary nominations.

Result: tax reduced to nearly $0 — preserving wealth and clarity of control.

Common Planning Traps We See

- Wills that don't match the structure of asset ownership
- Children being hit with avoidable tax on super
- Gifts that unintentionally disqualify pension eligibility
- Couples with no strategy for when only one of them needs care
- Property being passed without thought to CGT or liquidity planning

Retirement planning isn't just about markets and returns. It's about having **control in uncertain moments, preserving dignity, and leaving behind clarity instead of complexity.**



BENSONS

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SECTION SEVEN

How Bensons Wealth Helps Clients

You don't need to figure it all out alone — having the right partner changes the quality of your decisions, and your outcomes.

At Bensons Wealth, we help individuals and families navigate the complexities of retirement and structure wealth to live well, invest wisely, and leave a lasting legacy. Retirement planning isn't about picking a super fund or choosing an ETF; it's about stitching the moving parts together so they work for the next year — and the next 30.

Who We Work With

Our clients typically:

- Are aged 50 to 70+, either planning retirement or retired
- Have between $500K and $5M and above in investable assets
- Are Australian mums and dads, professionals, business owners, executives, or financially independent individuals
- Want to simplify complexity, minimise tax, and make smart decisions
- Value personalised, strategic advice — not templated solutions
- Want to feel confident, not confused, about the future

Some are delegators. Some are detail oriented. But all of them want a clear path forward and someone to walk it with them.

What We Help With

Clarify your lifestyle vision

Not just “Can I retire?” — but “What do I want life to look like, and how do we fund it?”

Model your income and capital needs

We run multiple retirement scenarios — conservative, base case, optimistic — factoring in inflation, aged care, gifting, and longevity risk. So you can make big decisions with confidence, not guesswork.

Structure your assets strategically

Super, trusts, companies, personal holdings — we ensure your assets are in the right places, doing the right things, at the right time.

Design your drawdown and tax strategy

Retirement can be tax-efficient — with careful planning. We optimise how you withdraw funds to reduce tax and increase flexibility.

Build your investment portfolio for retirement

Whether you want capital preservation or gradual depletion, we build portfolios aligned to your purpose — not just the market.

Plan for the “what ifs”

Whether that's helping children, transitioning to aged care, receiving an inheritance, or managing a property sale — we model and plan for it all.

Simplify complexity

We act as your financial coordinator — integrating with your accountant, lawyer, or lender if needed. One team. One plan.

Why Clients Work With Us (and Stay With Us)

Multi-generational expertise

Our firm is family owned and led. We combine almost 50 years of experience with fresh thinking and enduring values.

Long-term partnerships

Many of our clients have been with us for 15+ years. Some have introduced their children. That trust means the world to us.

Limited client base

We deliberately cap the number of clients we work with per adviser. This lets us go deeper, personalise more, and provide a genuinely high-touch service.

Fee-for-service

No hidden commissions. No product push. We have built our business sitting on the same side of the table as our clients, providing advice in their best interest.

> *"We knew we had the pieces. But Bensons helped us assemble the whole puzzle — and that gave us the confidence to actually enjoy retirement."*
>
> — Client, Age 62, Melbourne

BENSONS

SECTION EIGHT

Want Help Putting This in Place?

Reading this guide means you're already ahead of most. You're thinking strategically, asking the right questions, and looking beyond the surface. That's the mindset of someone who values what they've built — and wants to use it wisely.

But clarity is only half the story. Execution is everything. That's where we help.

Complimentary Consultation

A no-obligation, thoughtful conversation. We will:

- Review your current position and structures
- Clarify your retirement lifestyle and income needs
- Highlight what's working — and what could be improved
- Answer questions on structuring, drawdown, super, tax, investments, and more
- Share how we work with clients like you — and whether we're the right fit

We lead with value first — because that's how trust is built.

What Happens in the Meeting

1. Understand your assets, structures, goals (lifestyle, income, timing, legacy)
2. Identify gaps, opportunities, and risks
3. Outline how we could help — scope, approach, and fees (if appropriate)

If it's not a fit, that's fine — you'll still leave with more clarity than you arrived with. If it is, we'll build a tailored, intelligent plan — structured to your life and goals.

> **What to bring (if handy)**
>
> Recent super/investment statements, loan details, wills/POAs, last tax return, and a rough annual spend. Perfect is not required.

Book Your Consultation

We work with a select number of new clients each year to maintain our high-touch, long-term service approach.

Book Online Now

Or visit: bensonswealth.com.au/contact

What You Can Expect Working With Us

- A tailored, sophisticated strategy — built around your goals
- Clear, proactive advice that evolves as your life does
- Support across investing, tax structuring, estate planning, and aged care
- A trusted adviser who knows your situation, has your back, and speaks your language

Whether you're planning to retire or already retired and unsure what comes next — we'll help you navigate the complexity and make smarter decisions. We don't work with everyone. But if you're seeking expert advice, genuine care, and a long-term relationship with a team who truly understands retirement strategy, there's a good chance we'll work well together.

FINAL THOUGHT

You will only retire once. We help people retire every day. We've seen what works — and what fails.

Don't let indecision cost you time, money, or peace of mind. The best time to get advice is before you need it. If you'd like help putting this in place — with a team who's done it many times before — we're here when you're ready.

Warm regards,
Eden Smith

Director & Partner, Bensons Wealth

IMPORTANT INFORMATION

Important Information & Disclosures

General advice only.

This guide is general in nature and does not take into account your objectives, financial situation or needs. Consider whether it is appropriate for you and read any relevant disclosure documents before making decisions. We recommend seeking personal advice.

Assumptions & illustrations.

Unless stated otherwise, examples are shown in today's dollars, are after tax, and use returns net of fees. We model inflation separately to preserve purchasing power. Figures are illustrative only, not predictions, and should not be relied upon. We recommend you seek professional advice.

Investment risks & performance.

Investments involve risk, including possible loss of capital. Returns are variable and markets can be volatile. Past performance is not a reliable indicator of future results. Any targets or return “objectives” are not guarantees or forecasts. We recommend you seek professional advice.

Tax & Centrelink.

Tax outcomes and Centrelink entitlements depend on your personal circumstances and current law, which can change. We confirm rules and thresholds prior to implementing strategies. Consider obtaining independent tax advice.

Superannuation specifics.

Super is a structure, not an investment. In pension phase, withdrawals are generally tax-free from age 60, and earnings may be tax-free within the transfer balance cap; amounts above the cap remain in accumulation where earnings are typically taxed. Minimum drawdowns apply to account-based pensions and increase with age. Contribution caps/eligibility (including concessional, non-concessional, bring-forward and downsizer rules) apply and may change. We recommend you seek professional advice.

Case studies & testimonials.

Any case studies are simplified and/or anonymised to illustrate concepts; results vary with individual circumstances. Client comments are genuine but may be edited for clarity and are not indicative of future outcomes. We recommend you seek professional advice.

Fees, conflicts & remuneration.

Bensons operates on a fee-for-service basis (no product commissions). If any third-party payments or benefits were to be received, they would be disclosed and/or rebated as applicable. See our FSG for details. We recommend you seek professional advice.

Privacy.

We handle personal information in accordance with our Privacy Policy at bensonswealth.com.au

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Wisdom applied. Life empowered.