

Quarterly Update

January 2026

Important Updates

Baby News

Exciting news – Jayden is about to become a first-time dad! He'll be taking around a month of parental leave in April. During his time away, our team will keep an eye on his emails. If you need assistance, just call the office on 08 9250 5599 and we'll be happy to help while Jayden settles into family life.

IOOF Wealthbuilder to Australian Unity

On October 27, IOOF Wealthbuilder transitioned to Australian Unity. For anyone with investment bonds, you should have received your letters with your new Bpay details for regular investments.

Holidays

Lorna is away for the school holidays and will return on 2nd February.

Expand Error

Some clients with SMAs have been impacted by an operational error on Expand. We'll send an official update once we have more details, but please rest assured that compensation will be provided to all affected clients - you will not be disadvantaged.

New Clients

A big thank you to everyone who has been referring new clients our way! Just a reminder: all new clients are being looked after by Jayden, so please direct them to him.

Portfolio Updates

We regularly review and update our portfolios to ensure they remain aligned with long-term performance goals. Recent updates will be implemented over the next 12 months for clients on an advice package.

If you're a transactional client and would like us to rebalance your portfolio, get in touch.

New Client Portal – My Prosperity

We're excited to share that we'll soon be launching a new client portal! Once it's officially rolled out, we'll provide more details and guidance. This portal will give you secure access to enter your data and upload documents for review, helping streamline processes and enhance security for any potential email hackers and scams.

Centrelink

Just a friendly reminder: whether Centrelink updates are included in your service depends on your chosen package. If your package includes Centrelink support, we'll handle these updates for you. If not, or if you're not currently on a service package, we're still happy to assist – our standard hourly rate of \$375 applies, with a maximum fee capped at \$550 per year. If you're unsure about what's included in your service, simply get in touch and we'll clarify everything for you.

Well well then...

The December quarter has been defined by unexpected twists. Just as we thought inflation was under control, it kicked back up. Just as rate cuts seemed certain for 2026, we're now facing the prospect of rate **rises**. And just as geopolitical tensions appeared to be settling, the US launched a military operation in Venezuela. Through it all, Australian households held their nerve - spending up at Christmas and keeping the economy ticking over..

So, what's happened?

US Strike on Venezuela

On 3 January, the US launched Operation Absolute Resolve, capturing President Nicolás Maduro and bombing key infrastructure. Global reaction was divided, with Latin American nations condemning the move and European leaders urging restraint. Market impact has been minimal so far: Venezuela produces less than 1% of global oil, though it holds the world's largest reserves (18%). Brent crude rose just 0.2%. Longer term, if US firms rebuild Venezuela's oil sector, supply could rise significantly, pressuring prices downward.

Australian Interest Rate Outlook

The RBA held rates at 3.60% in December, but inflation at 3.8% has shifted expectations. CBA and NAB forecast a 25bp hike in February, while Westpac sees rates on hold. Mortgage holders should prepare for potential upward moves after last year's cuts.

Christmas Spending & Consumer Confidence

Australians spent \$72.4 billion in the six weeks to Christmas Eve (+4% YoY), with gift spending at \$12 billion. Consumer confidence hit 103.8 in November, its highest since early 2022, and Boxing Day sales added \$3.8 billion. Retailers enjoyed a strong finish to 2025.

Equities & Market Performance

The ASX gained 6.8% in 2025, marking three straight years of growth. Mining stocks led on strong commodity prices, while banks also performed well. Super balances should reflect positive returns despite volatility.

Fuel Prices

Petrol fell to \$1.74/litre in December (from \$1.87 in September). Analysts expect stability into early 2026 unless Venezuela tensions escalate.

Global Trade & Tariffs

US tariffs under President Trump hit 17%, the highest since the Great Depression, generating \$30B/month and reshaping supply chains. The US Supreme Court will rule on tariff legality in early 2026.

Currency Markets

The US dollar fell 9.4% in 2025, its worst drop since 2017, benefiting Australian exporters and travellers. Weakness is expected to persist unless geopolitical risks trigger a safe-haven rebound.

Looking Ahead

Australia's economy remains resilient with strong employment and rising wages. Key watchpoints: RBA's February decision, Venezuela's future, and global trade tensions. For investors: stay diversified, focus on quality, and avoid reacting to short-term volatility.