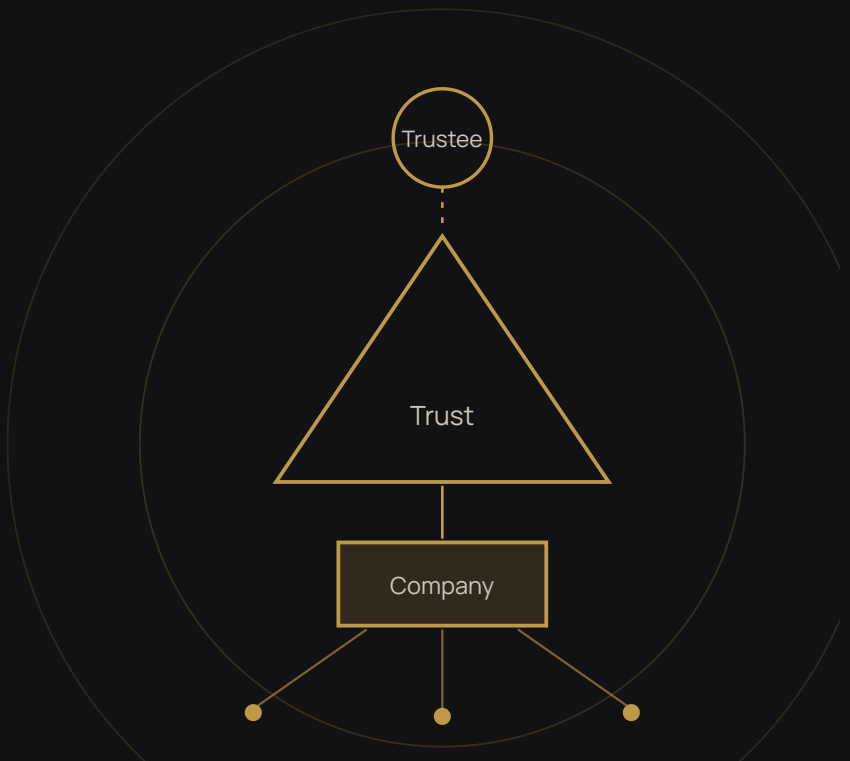
GLOBAL WEALTH
CLUB

Holding Companies

Why a holding company owned by your discretionary trust is now the best base for most investors and business owners.

Global Wealth Club

7 SECTIONS · WORKING EXAMPLE · FAQ APPENDIX



Updated for the trust changes announced in the May 2026 Federal Budget: what a holding company is, why it matters now, how the trust above it protects you, and a worked example.

OVERVIEW

What matters most

Since the May 2026 Federal Budget, a holding company owned by a discretionary trust is the best fit for most investors and business owners.

1 **The rules for trusts are changing.**
A 30% minimum tax on discretionary trusts is proposed from 1 July 2028, and paying profits to a bucket company could mean tax twice.

2 **A holding company does the work.**
It holds your investments or runs your business, and its profits are taxed once, at 25% or 30%.

3 **Your discretionary trust owns its shares.**
That keeps your wealth out of your name for asset protection, with the flexibility of a trust above it.

4 **Profits can stay in the company and grow.**
You reinvest at the company tax rate and pay personal tax only when you take money out.

5 **Set it up properly, and early.**
Moving existing assets can cost stamp duty and CGT, so plan with advice before the changes start.



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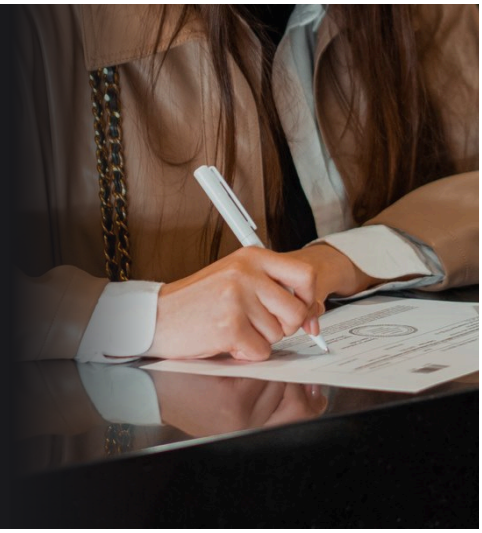


01

SECTION ONE

What a Holding Company Is

A simple idea that has become the new base for building wealth.



IN PLAIN ENGLISH

A company that holds your wealth or runs your business

A holding company is an ordinary Australian company (a Pty Ltd). It is a separate legal person, so it can own assets, sign contracts and run a business in its own right. What makes it a holding company is its job: it holds things of value for you and your family.

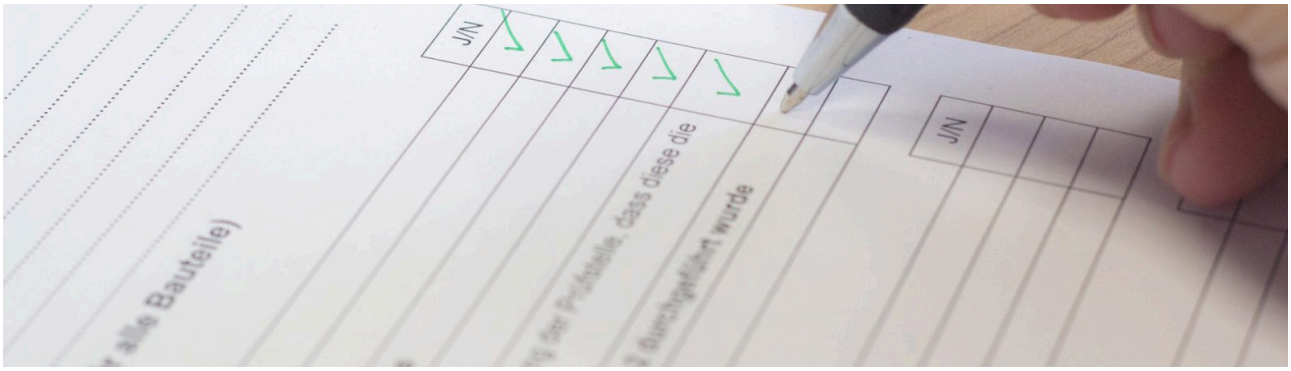
WHAT IT CAN HOLD

Typical uses

- Running your business, or owning the shares in your operating business.
- Holding investment property.
- Holding a share portfolio, cash, precious metals and crypto, with the right paperwork.
- Keeping profits from your business or investments to reinvest.

★ THE KEY POINT

In our recommended structure, the holding company is owned by your discretionary trust, which has a company as its trustee. The holding company does the investing or the business. The trust owns and protects it.



02

SECTION TWO

Why the Trust Changes Make It Matter

The structure that worked for 20 years may not work for the next 20.



THE OLD WAY

A family trust and a bucket company

For years, the standard advice was a family trust that paid its profits out to family members on lower tax rates, with the rest paid to a "bucket company" to cap the tax. Many Australians still hold their investments and businesses this way.

WHAT THE BUDGET ANNOUNCED

A 30% minimum tax on discretionary trusts

- From **1 July 2028**, the trustee pays at least **30%** tax on the trust's taxable income.
- Family members get a credit for that tax, but it is not refunded. If their own rate is lower, the difference is lost.
- A bucket company gets no credit at all, so the money is taxed in the trust and again in the company.
- From 1 July 2027, the 50% CGT discount is replaced by an inflation adjustment for new gains.

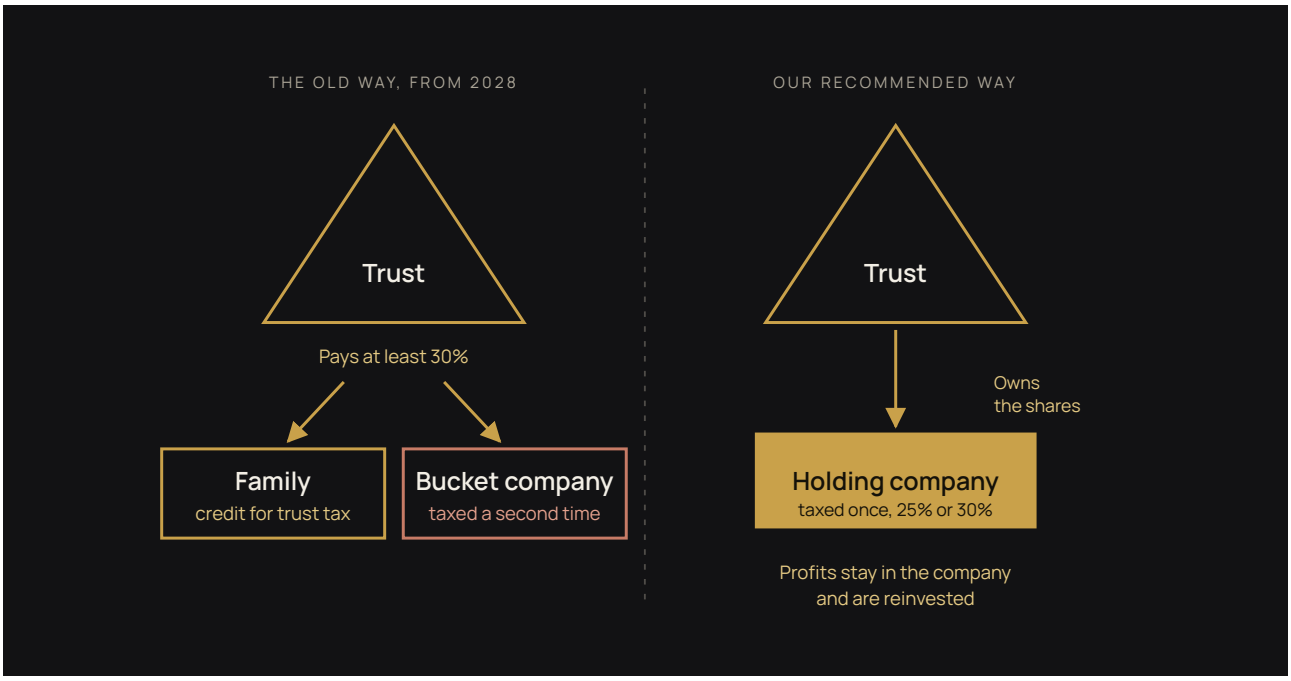
★ IMPORTANT

These changes were announced in the May 2026 Federal Budget. They are not law yet, and the details could change. Primary production income is left out, so trusts can still suit farmers and primary producers.

OLD WAY AND NEW WAY

Taxed twice, or taxed once

A trust paying a bucket company is taxed twice under the proposed rules. A holding company owned by the trust is taxed once and keeps its profits to reinvest.



THE WINDOW TO ACT

Tax relief to restructure, for three years

The government will give expanded rollover relief for three years from 1 July 2027, to help people move out of discretionary trusts into another structure, such as a company. It is a limited window, so if you already have a trust or company, have it reviewed now, before the changes start.



03

SECTION THREE

How the Structure Works

Three parts, each with its own job.



1. A discretionary trust, which owns and protects

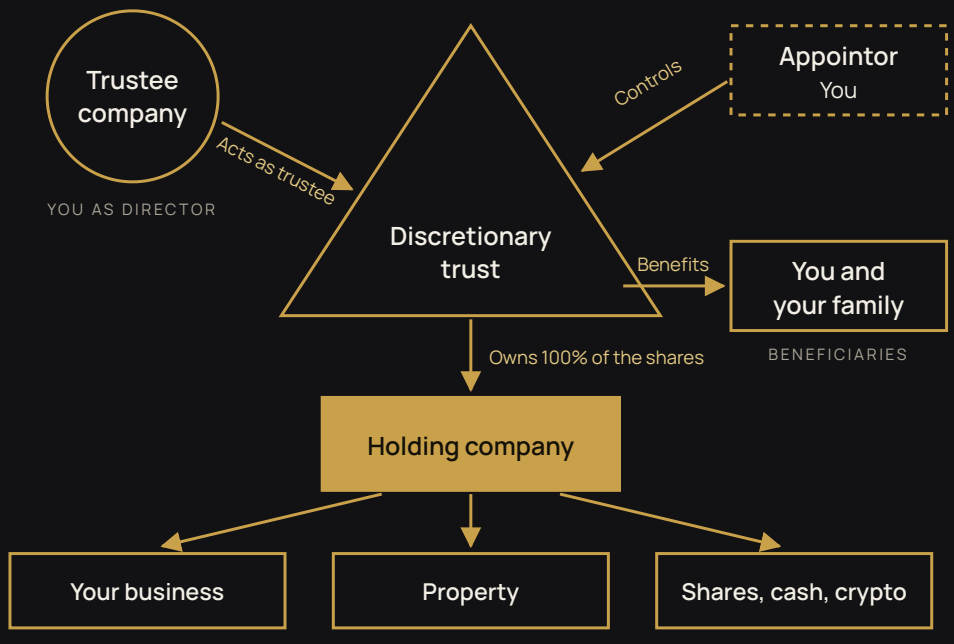
It owns 100% of the shares in the holding company. You control it as appointor, but the wealth is not in your name.

2. A company as trustee of the trust

So no individual is personally on the hook as trustee. You act as its director.

3. A holding company, owned by the trust

It holds your investments or runs your business, and pays tax at the company rate.



THE DISCRETIONARY TRUST

Why the trust holds the shares

The trust is no longer the tax saver it was, but its job above the holding company is as important as ever.

- **Asset protection.** If the shares were in your name, they would be your asset, and a creditor or trustee in bankruptcy could take them. Owned by the trust, they are not yours, so they are much harder to reach.
- **Control without ownership.** You control the trust as appointor and director of the trustee company, and through it, the holding company.
- **Flexibility.** When the company pays dividends to the trust, the trustee can choose which family members benefit.
- **Passing it on.** The trust can carry on after you, so the company does not have to be sold or transferred when you die.

> ★ CAN I OWN THE COMPANY MYSELF?
>
> You can, but then the shares are in your name and exposed if you are sued or go bankrupt. That is why we recommend the trust owns them.

KEEP RISK AWAY FROM WEALTH

A business and your investments: usually two companies

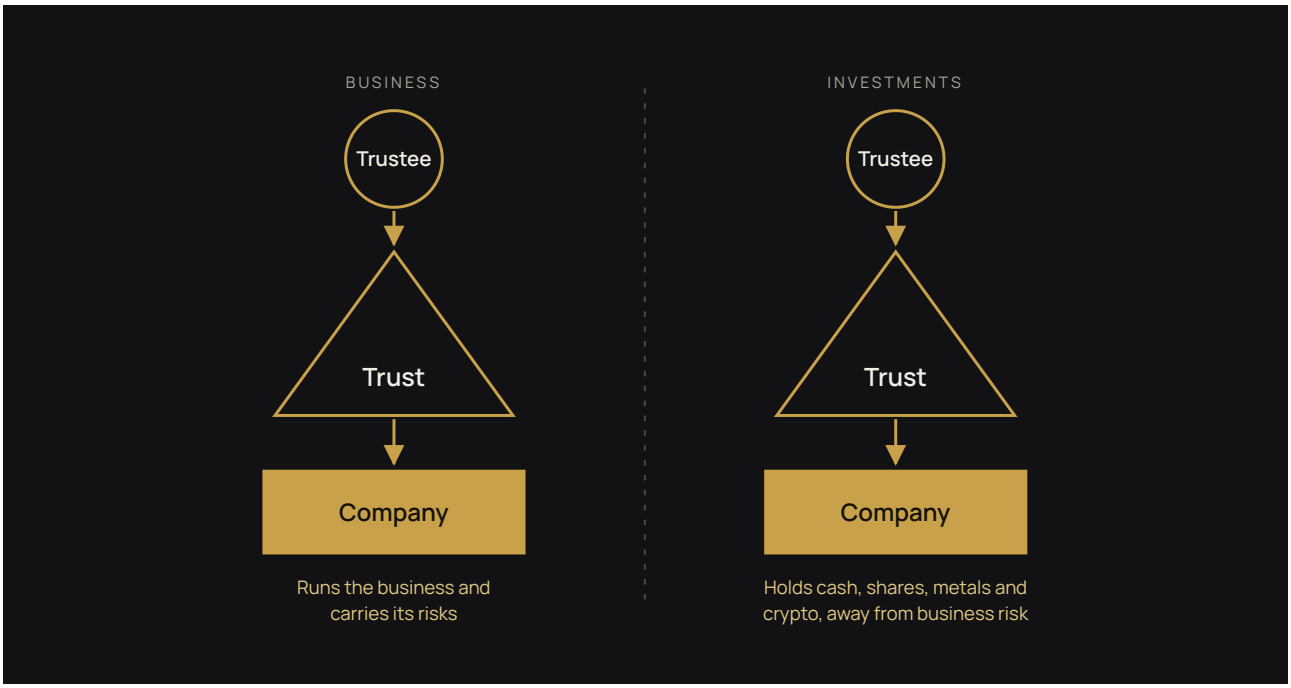
If you run a business, keep it apart from the wealth you have built. One company runs the business and carries its risks. Another holds your investments, so a problem in the business cannot reach them. See the diagram on the next page.



TWO COMPANIES, SIDE BY SIDE

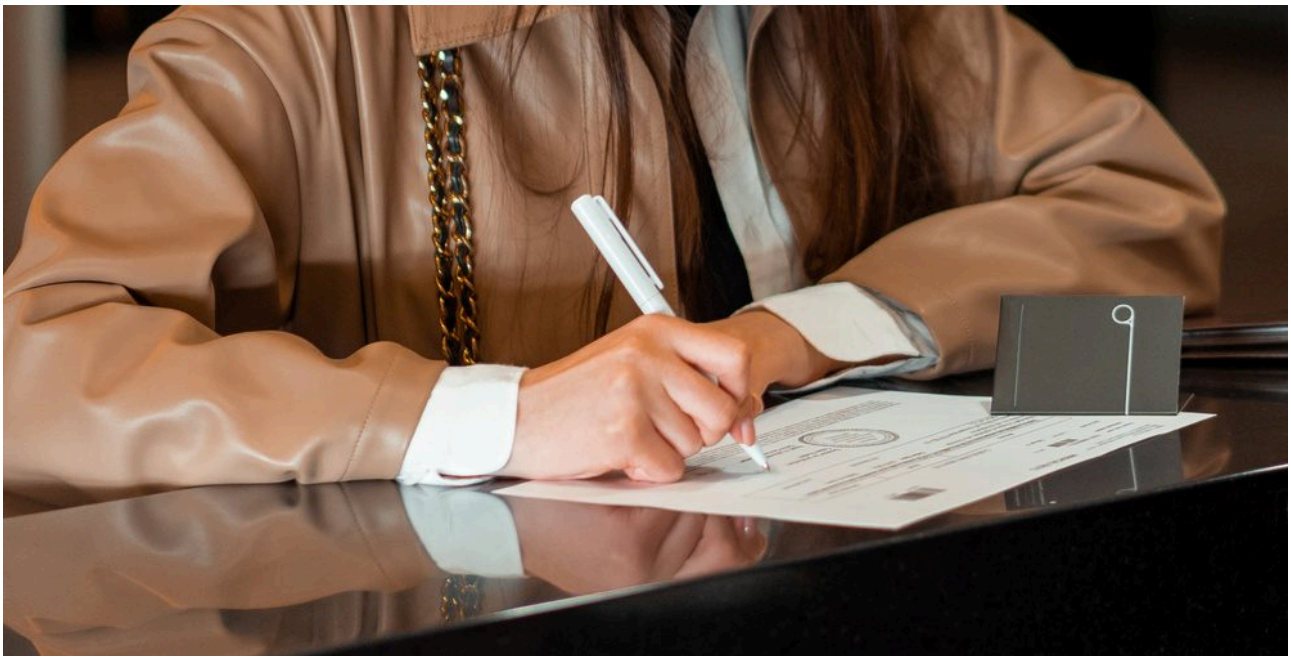
Separate your business and investments

Each part can sit under its own trust, or your accountant may suggest one trust owning both companies. Either way, the investments are kept out of the business's reach.



★ YOUR FAMILY HOME

Your home should not go into a company. You would lose the main residence CGT exemption. It can be protected in other ways, such as creating your own mortgage over it.

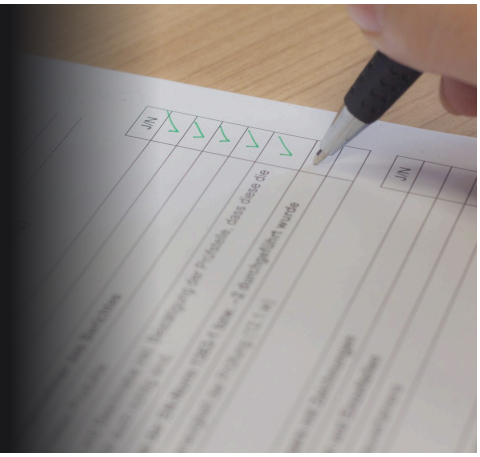


04

SECTION FOUR

Benefits and Trade-offs

What a holding company does well, and what to watch.



THE BENEFITS

Why it works so well

- ✓ **Asset protection.** With the shares owned by your trust, your wealth is not in your name.
- ✓ **Reinvest at the company tax rate.** Profits are taxed at 25% for a small business company, or 30% for a company that mainly holds investments, and the rest stays in the company to grow.
- ✓ **Taxed once, not twice.** No bucket company, so no double tax under the proposed rules.
- ✓ **Pay personal tax when you choose.** You pay personal tax when you take money out, and the company tax already paid counts towards it.
- ✓ **Flexibility.** The trust above can share dividends across the family, and the company can carry on for generations.
- ✓ **Built for the new rules.** A structure set up for the proposed changes from day one.

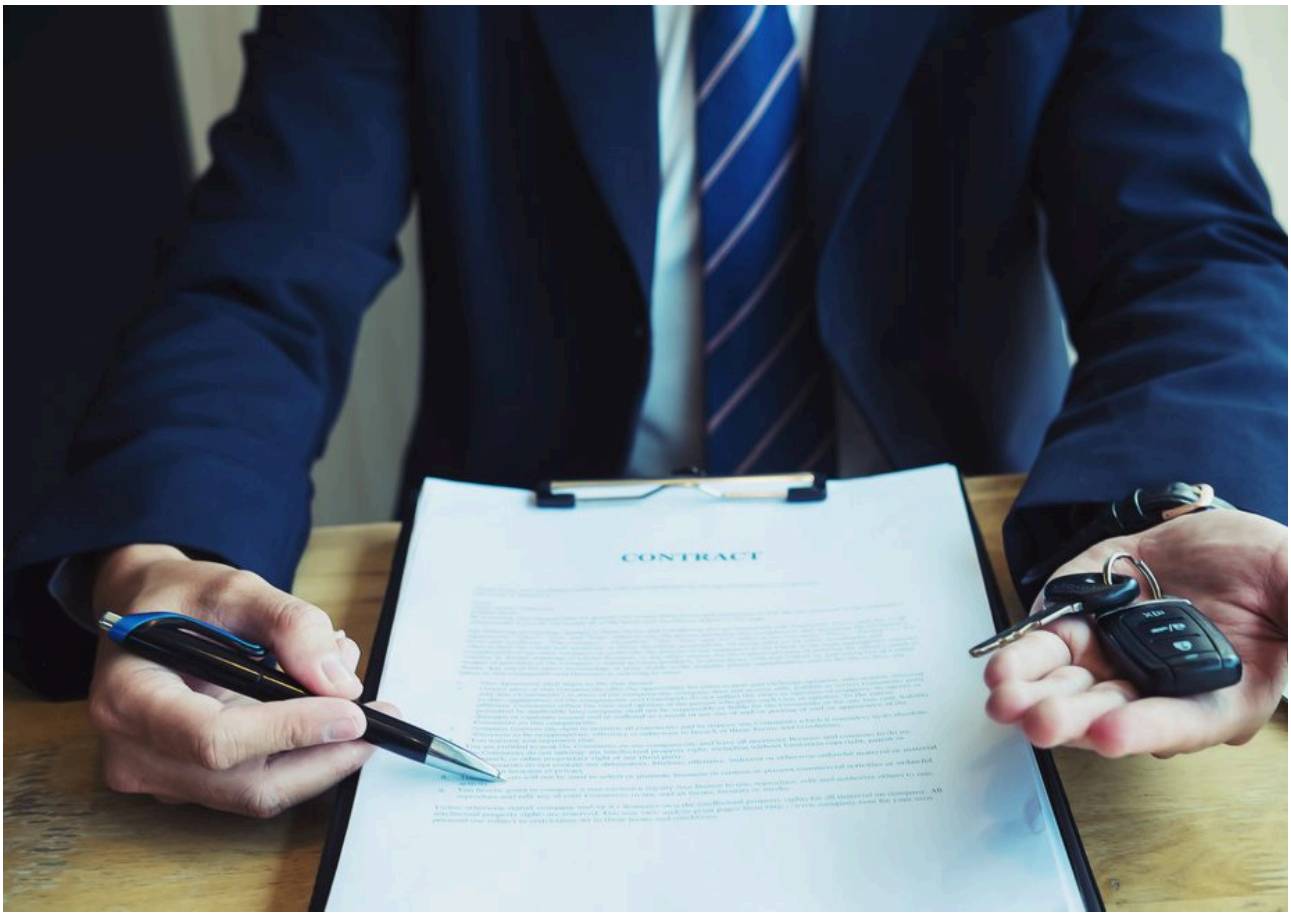


WHAT TO WATCH

The trade-offs

- ✕ **Taking money out is taxed.** Dividends are taxed at your personal rate (with a credit for the company tax). It works best when you leave profits in to grow.
- ✕ **No CGT discount for companies.** A company that sells an asset at a gain does not get the CGT discount individuals and trusts have had.
- ✕ **Strict rules on borrowing from your company.** If you or your family take money out as a loan, it must be on proper loan terms, or it is taxed as a dividend.
- ✕ **Running costs and duties.** A yearly ASIC fee and accounting costs, and as a director you have legal duties.
- ✕ **Moving existing assets costs money.** Transferring property, shares or a business into the company can trigger stamp duty and CGT.
- ✕ **Some details are still to come.** How dividends paid up to a trust are treated under the new rules will be settled when the law is written. Your accountant will plan around it.

> ★ IN SIMPLE TERMS
>
> A holding company is at its best when you are building wealth and reinvesting profits, rather than spending everything each year.



05

SECTION FIVE

Who It Suits, and Who It Doesn't

Your situation decides what is best.



A good fit if you

- ✓ invest in property, shares or other assets, or run a business
- ✓ want to reinvest profits and build wealth
- ✓ already have a trust and want it to own a holding company under the new rules
- ✓ are setting up a new structure and want it to suit the proposed changes from day one

May not suit

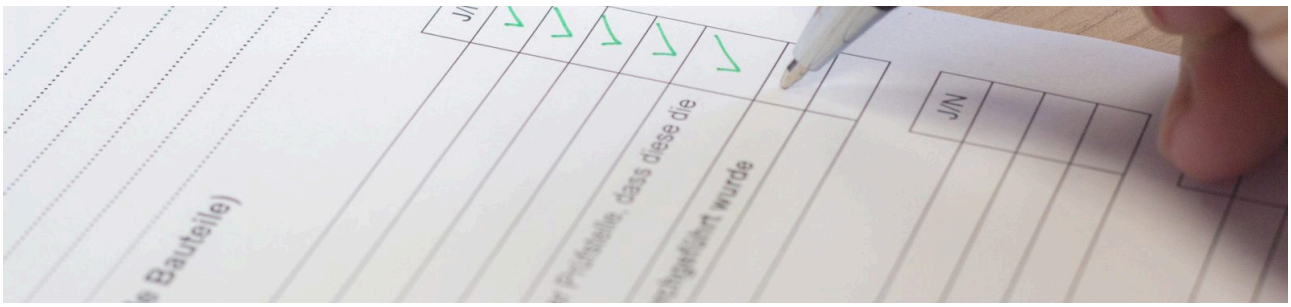
- ✗ farmers and primary producers, where a trust can still suit in its own right
- ✗ people who need to take out all their profits each year to live on
- ✗ your family home, which belongs outside a company
- ✗ very small portfolios, where the running costs outweigh the benefit

WHICH DESCRIBES YOU?

Staying in Australia

"I'm staying in Australia and want to protect what I have." If you invest or run a business, a holding company is likely to be your new base.

"I'm staying, with an offshore Plan B." A solid Australian holding structure comes before building offshore.



06

SECTION SIX

A Working Example

Sam and Lisa's business, the old way and the new way.



THE STARTING POINT

Sam and Lisa's situation

Sam and Lisa run a small business that makes a profit of **$400,000** a year. They need $150,000 between them to live on, and want to reinvest the rest. Neither has other income.

THE OLD WAY

A family trust and a bucket company

The business is run by their family trust. The trust pays $75,000 each to Sam and Lisa, and the other $250,000 to a bucket company.

THE NEW WAY

A holding company owned by their trust

The business is run by a holding company owned by their discretionary trust. The company pays Sam and Lisa a salary of $75,000 each, and keeps the other $250,000, taxed at the small business company rate of 25%.



THE NUMBERS

What Sam and Lisa pay and keep

	Old way today	Old way from 2028	Holding company
Tax paid	$101,040	$195,000	**$88,540**
Sam and Lisa take home	$123,960	$105,000	**$123,960**
Left to reinvest	$175,000	$100,000	**$187,500**

1. **Old way today:** Sam and Lisa pay $13,020 each, and the bucket company pays 30% on its $250,000 ($75,000).
2. **Old way from 2028:** the trustee pays 30% on the whole $400,000 ($120,000). Sam and Lisa's credits are worth more than their own tax, and the difference is not refunded. The bucket company gets no credit and pays 30% again ($75,000).
3. **Holding company:** the salaries are a business cost. Sam and Lisa pay $13,020 each, and the company pays 25% on the $250,000 it keeps ($62,500).

★ THE RESULT

Under the proposed rules, the holding company saves Sam and Lisa about $106,000 a year compared with the old way, and leaves them $87,500 more to reinvest. Their trust still owns the company, so their wealth stays protected.

Income tax only at 2026-27 resident rates, before offsets, super and the Medicare levy. Super on the salaries is extra and is a business cost. Figures are examples only.



07

SECTION SEVEN

Setting It Up

What we do, what it costs and how it works.



WHERE ARE YOU STARTING FROM?

Three common situations

Starting from scratch

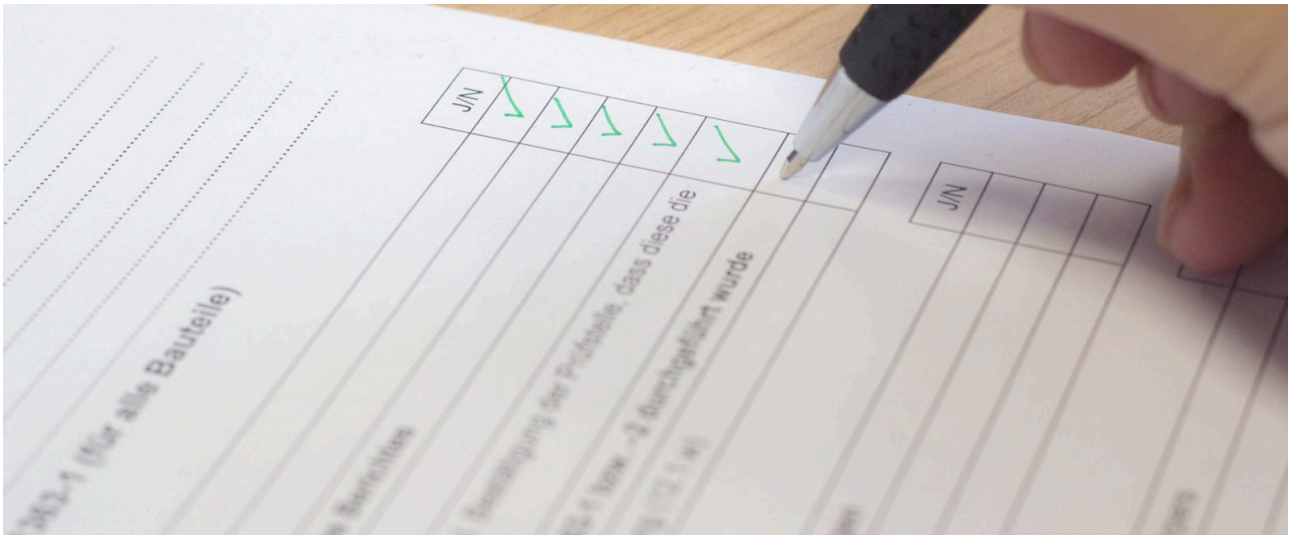
Set up the full structure: a discretionary trust, a company as trustee, and the holding company.

You already have a trust with a company as trustee

The Holding Company Set Up may be all you need, with your trust owning the shares. We check first that no tax consequences are triggered.

You already have a trust or company, and are not sure

Have it reviewed first with a Standard Consultation, our review package. Whether to move existing assets is a separate decision, made with advice.



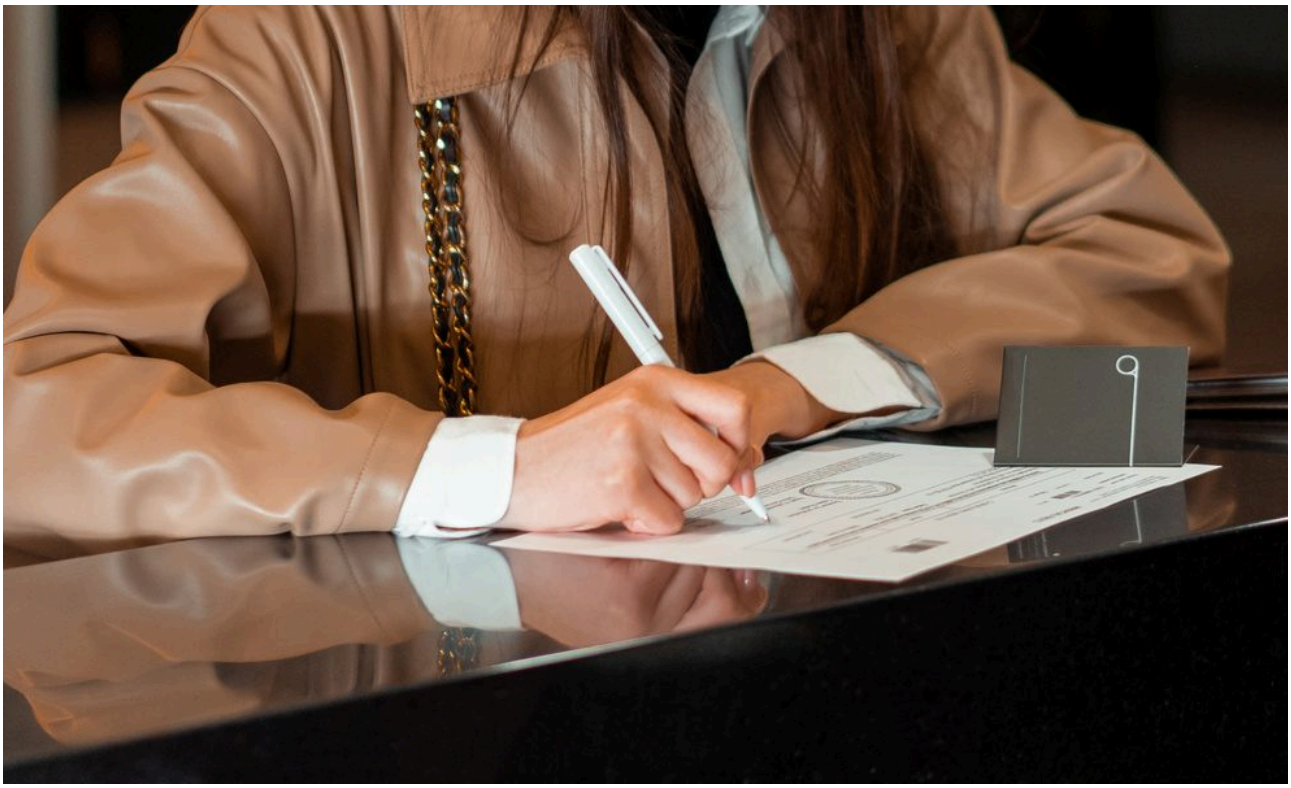
WHAT YOU GET

Set up from start to finish

- A holding company, set up from beginning to end, so it is ready to use.
- The ABN organised for you.
- Your documents organised in one place, with instructions for you and your accountant.
- Email support on setting it up.
- Optional registered office: we use our address for your company and look after the yearly ASIC paperwork.

Option	Investment
Holding Company Set Up	$1,970
Full structure: company, discretionary trust and holding company	**$4,750**
Registered office (optional)	$250 a year
Specialist Consultation and Structure Package	$4,997, plus $1,497 to add a holding company

The Specialist Package gives you the company and trust, our Standard One-on-One Consultation, the Crypto Tax Protection Templates, video education and three months of email support.



THE PROCESS

How it works

Who does it: YOU GWC

1	Choose the Holding Company Set Up, or the full structure.	YOU
2	We send you simple forms to complete.	GWC
3	You complete and return the forms.	YOU
4	We set up the company from beginning to end, including the ABN, with your trust as shareholder.	GWC
5	We organise your documents and instructions in one place, ready for your accountant.	GWC
6	You and your accountant start using the company for new investments and business activity.	YOU

NEXT STEPS

Build on the right foundation

- **Become a free member at www.globalwealthclub.com.** You will find free videos on holding companies, trusts and what the Budget changes mean for you, and you will be notified of free podcasts, masterclasses, events and updates on the topic.
- Any questions? Email clients@globalwealthclub.com and we will be in touch to discuss.
- Let us know if you would like a proposal with our package price.

Yours in freedom,

The Global Wealth Club

APPENDIX

Frequently Asked Questions

Straight answers to the questions clients ask most.

Why not just keep using my trust?

Under the proposed changes, trusts may lose most of their tax benefits, and paying profits to a bucket company can mean tax twice. Your trust is still valuable for protection, by owning the shares in a holding company.

Is the minimum tax on trusts law yet?

No. It was announced in the May 2026 Federal Budget to start on 1 July 2028. It is not law yet and the details could change. We will keep our members updated.

Who owns the holding company?

In our recommended structure, your discretionary trust owns 100% of the shares, and the trust has a company as trustee. You can own it personally, but the shares are then exposed if you are sued.

Do I need to move my existing assets into it?

Not always. Moving assets can cost stamp duty and capital gains tax, so it is a decision to make with advice. The rollover relief from 1 July 2027 may help. Often the simplest approach is to put new investments and new business through the holding company.

Is a holding company only for big businesses?

No. It suits most investors and business owners, including people with a few properties or a share portfolio.



How do I get money out of the company?

Usually as a salary if you work in the business, or as dividends paid up to your trust and on to the family. Loans from the company to you or your family must be on proper loan terms, or they are taxed as dividends. Your accountant will plan this with you.

What tax does the company pay?

25% for a small business company, and 30% for a company that mainly earns investment income such as rent, interest and dividends.

Should my business and my investments be in the same company?

Usually not. Keep a risky business in one company and your investments in another, so a claim against the business cannot reach your investments.

Should my family home go into the company?

No. You would lose the main residence CGT exemption. Your home can be protected in other ways, such as creating your own mortgage over it.

I already have a trust with a company as trustee. What do I need?

Usually just the Holding Company Set Up ($1,970), with your trust owning the shares. We check first that no tax consequences are triggered.



General information only, not personal tax, legal or financial advice. Laws change, and the Budget measures described are not yet law. Figures are examples only and vary by situation. Confirm with a qualified adviser before acting.