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# Products

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## Platform cuts fees

A specialist managed accounts platform has cut the administration fee on its superannuation offering.

Wealth02 lowered the admin fee on its Super Simplifier by 3.3 basis points, capping fees at $1760 per member or $3630 across six family members.

The company said the fee cut is in response to more advisers adopting Super Simplifier, which is a tool for SMSF management.

"This fee reduction, coupled with no minimum fee, makes Super Simplifier a very cost-effective product for those advisers looking to provide a market leading advice offering for super and pension clients, as well as provide a profitable service to the typically lower balance adult children of existing clients," Wealth02 managing director Shannon Bernasconi[01] said.

"Super Simplifier gives members the personalisation, transparency and flexibility of an SMSF but for a fraction of the cost. It is the only a low cost offering of its type in the market and offers full transparency of assets through the use of the HIN structure and managed accounts."

She argued that the business is contributing to price pressure on platform offerings, which she hopes will lower the cost of providing advice and increase practice profitability.

"Platforms that haven't kept up with the latest developments in technology have a higher cost of operation that is often recouped through hidden or layered fees. Hence the newer investment platforms like WealthO2 that don't rely on cash fees, MER uplift or SMA fees for revenue, can lower the overall cost to the client even further," Bernasconi said.

## PPS Mutual launches member offer

Mutual life insurer PPS Mutual has launched a timesaving underwriting offer for existing members to add cover to their policy.

Members who have a current income protection policy with PPS Mutual can now apply to add or increase life, total and permanent disability (TPD) or trauma cover without providing medical evidence.

Under this offer members can receive maximum life cover and TPD cover of up to $3 million, TPD and trauma cover of up to $1.5 million.

Cover amounts higher these would be subject to a full application and underwriting.

PPS Mutual head of underwriting and claims management Marcello Bertasso said the offer is the latest commitment to improving and innovating PPS Mutual member experience.

"Reducing the time and effort of providing mandatory medical evidence is part of our mission to remove 'underwriting friction' where possible and optimise our members' experiences," Bertasso said.

"This offer aligns with our mutual based value of putting our Members needs front and centre, whilst simultaneously maintaining a sustainable approach to our overall risk pool."

## Jarden gets market participant licence

Jarden has been admitted as a market participant to the ASX and the Chi-X.

The investment and advisory firm said the admission accelerates the growth of its institutional equities franchise in Australia.

Jarden has appointed ABN Amro as its clearing and settlements partner.

"The fact that our first direct trades are being executed today is a testament to the skills of our team, who have worked tirelessly over the past six months to meet all the strict regulatory requirements relating to the ASX and Chi-X admission about governance, policies, procedures and people," Jarden Australia chief operating officer Tim Keegan said.

Jarden Australia chief executive Robbie Vanderzeil said the licence is a strategic milestone and underlines Jarden's long-term commitment to Australia.

Members with income protection issued on or after 1 July 2019 (where loadings do not exceed +100% extra morbidity) will qualify and is applications are available between 1 May 2021 and 30 June 2022.

In December, PPS Mutual removed several assessments to its medical and financial underwriting requirements to speed up the application process and benefit members.

Members of all ages are no longer required to test for Hepatitis B, Hepatitis C and HIV when applying for life insurance of up to $20 million, total and permanent disability of up to $5 million, trauma insurance of up to $2 million and income protection of up to $30,000 per month.

## New responsible ag fund seeks $300m

Brisbane-based Australian cattle property investment manager Packhorse has launched the Packhorse Pastoral Company Australia (PPCA), a regenerative agri-business that is aiming to raise $300 million that will go towards restoring Australia's rural land and in turn support the local beef industry.

PPCA is aiming for an internal rate of return between 8% to 10% per annum and is open to Australian investors only.

The minimum investment amount for wholesale and institutional investors are $100,000 and $10 million respectively with an investment horizon of 25 years.

PPCA is led by chief executive Geoff Murrell, who previously was the general manager of Macquarie Bank's Paraway Pastoral Company Northern Operations based in Orange, New South Wales, while Tim Samway[02] acts as chair.

Samway told *Financial Standard* that the fund's mission is to build and repair soil with the help of cattle, which are brought onto the land to restore grass, which will not only help with drought-proofing but reduce carbon dioxide omissions on a mass scale.

Packhorse also typically buys property, similar in the way Westfield invests in property, by upgrading it, rents it out and then receives rental income, he said.

Samway described the strategy as a "virtuous circle" whereby the investors and environment both benefit, adding that Europeans investors are increasingly demanding that their Australian investments are either demonstrating they are working toward minimising reducing carbon footprints or becoming carbon neutral.

Samway, who is also the chair of Hyperion Asset Management, said the exciting upside for investors is the fund's commitment to engage in large scale programs to sequester carbon in the soils and generate carbon credits and sell them to those seeking to offset their carbon emissions.

The carbon credits market is tipped to be worth $8.25 billion by 2027, he said.

## ECPI draft legislation released

The government has introduced exposure draft legislation to reduce red tape for super funds when calculating the exempt current pension income (ECPI).

The minister for financial services, superannuation and the digital economy Jane Hume said the draft legislation simplifies reporting obligations and streamlines administrative requirements for ECPI.

Fund trustees can choose their preferred method of calculating ECPI where the fund is fully in the retirement phase for part of the income year but not for the entire income year.

The legislation will also remove the requirement of obtaining an actuarial certificate when calculating ECPI using the proportionate method.

"These reforms will reduce costs and simplify reporting for affected superannuation funds," Hume said.

The changes to ECPI were first flagged in the 2019/20 budget and submissions on the consultation are open until June 18.

It comes after the government released the draft legislation for the Your Future, Your Super reforms in late April.

This included administration fees on the performance benchmark for funds also added Australian unlisted infrastructure and unlisted property as specific asset classes.

Hume later said the inclusion of the administration fees will not punish funds that reduced fees in recent years.

"This isn't about industry funds versus retail funds. It is simply about underperformance," she said.

## Charter Hall grows portfolio by $800m

Charter Hall has secured a $790 million portfolio, comprising the Services Australia building in the ACT's Tuggeranong, Australian Taxation Office buildings in Box Hill, Victoria and Albury, New South Wales, and the Australian Red Cross building in Alexandria.

The portfolio is to be owned by Charter Hall Direct funds and the Charter Hall Long WALE REIT. The latter will own 50% of each asset, with Direct funds owning the other half. The Charter Hall Direct Office Fund will own Tuggeranong and Box Hill, Charter Hall Direct PFA Fund will own Albury and the Charter Hall Direct Industrial Fund No.4 will own Alexandria.

The portfolio boasts an average WALE of 9.1 years with fixed annual rent increases of between 3.5% and 4% per annum.

The acquisition brings Charter Hall's office portfolios to more than $23 billion. In total this financial year, Charter Hall has added about $7 billion via acquisitions.

"We continue to deliver on the long WALE and government lease thematic that Charter Hall has pursued for many years which, in the current environment of low interest rates and the focus on secure and growing income streams, provides attractive risk adjusted returns to both our listed and unlisted fund investors," Charter Hall managing director and group chief executive David Harrison said. **FS**