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# Active Super, Vision Super mull merger

**Active Super and Vision Super have signed a Memorandum of Understanding (MOU) to explore a potential merger.**

Both parties will undertake due diligence to determine whether a merger is likely to be in the best financial interests of members of both funds.

In a statement from Active Super, the industry fund highlighted that it and Vision Super were both profit-to-member funds of a similar size and shared a common history; a history of servicing current and former local government employees in their respective states of NSW and Victoria.

Should the merger proceed, the funds will jointly manage approximately \$26 billion in funds for around 169,000 member accounts.

Active Super chair Kyle Loades said: "These merger discussions represent an opportunity to bring together two funds with a similar membership profile and an aligned responsible investment philosophy, delivering strong, long-term returns and quality service to their members."

"By exploring this potential merger, we have an opportunity to achieve additional scale, greater resources for services and growth, as well as potential lower costs and fees for members. Our aim is to put all members in a better position when it comes to meeting their retirement objectives."

Vision Super chair Lisa Darmanin also praised the idea of a merger.

Darmanin said: "The two funds have a lot in common. We're a similar size in terms of funds under management, have a deep history in local government, run both account-based benefits and defined benefit designs and have a shared commitment to responsible investment."

On the current MOU, Darmanin added: "Due diligence aims to tease out operating and investment synergies and to assess the potential for cost savings, improved services and further membership growth and identify any obstacles to a merger."

"The data we gather will allow the board to determine whether it is in the best financial interests of our members to merge - and of course, Active Super will be completing the same analysis for their members."

"Our aim is to stay competitive with the very best as we explore the benefits of further scale," Darmanin stated.

Shedding further light on the context of the merger, Loades stated: "A rapidly changing superannuation landscape has meant super funds are increasingly looking to partner with like-minded funds to unlock additional benefits for members through economies of scale."

"As an industry fund open to all, any decision to merge must be in the best financial interests of our members and would be expected to result in benefits from greater scale, potentially allowing the merged fund to provide more services to members and lower costs and fees."

According to Rainmaker Information executive director Alex Dunnin, a merger between two well-established super funds servicing the NSW and Victorian local government sectors is very compelling.

"Both funds are strong funds, with a long-established history of superior investment performance, making any merger between them a merger of strength rather than being defensively driven. This profoundly changes the dynamics of such a relationship," Dunnin said.

"Both funds being highly committed to ESG and climate active investing is another factor that would make such a merger easier to construct."

However, Dunnin noted that crossing state boundaries may create state constitutional issues that would most likely require special legislation.