

Friday 13 December 2019

## VicSuper and First State Super confirm merger

Leading profit-to-member super funds VicSuper and First State Super today announced they have signed a merger deed confirming their intention to merge effective 1 July 2020.

The decision to merge follows a thorough due diligence process to determine if the merger is in the best interests of the members of both funds. The business case identified close strategic alignment and cultural fit between both funds and the potential to generate significant benefits for members including:

- significant scale benefits, that can benefit members' retirement savings over the long term
- access to broader investment opportunities and increased diversification leading to cost savings over time
- the ability to leverage the collective strength of education, advice and retirement solutions and the opportunity to provide great value and service to members
- the capacity to develop innovative retirement income solutions to support our members to achieve better outcomes in retirement.

The merged fund will be one of the largest in Australia, managing more than \$125 billion in retirement savings on behalf of more than 1.1 million members nationally.

Over the coming months, the funds will develop a strategy to bring their investments together to leverage the benefits of scale.

Following the merger, members will be able to access support and advice from any one of the funds' 45 existing metropolitan and regional locations around Australia. Both the VicSuper and First State Super brands will continue after the merger.

The Board composition will reflect the membership of the merged fund with an equal number of member and employer representatives. Neil Cochrane will be the Independent Chair. The board will comprise 14 directors, four of whom will be appointed from VicSuper's current Directors. The Board will reduce to 10 Directors within two years.

Deanne Stewart will be CEO of the merged fund, while VicSuper's current Chief Executive Michael Dundon will become Deputy CEO.

### Attributable quotes:

Neil Cochrane, Chair, First State Super:

*The comprehensive due diligence process we have completed has highlighted how much we share in common with VicSuper. We share a strong cultural alignment and have very similar values, and this has helped our people collaborate effectively and efficiently through the due diligence phase of this project.*

Wayne Kayler-Thomson, Chair, VicSuper:

*This merger will enable us to leverage our combined scale to deliver an even better deal for our members. Our research has demonstrated that by achieving greater scale we can reduce costs and access a broader range of investment opportunities for our members.*

Deanne Stewart, CEO, First State Super:

*Our merger with VicSuper will set us apart from other funds and provide the scale and reach to deliver market-leading superannuation, advice and retirement services to more Australians. Over time, our members will benefit from more diversified investment opportunities and lower operating costs that can only be generated through scale and we'll leverage the strength of our combined service and expertise to help our members.*

Michael Dundon, CEO, VicSuper:

*We are delighted to be making this announcement. With support from the VicSuper Board, I initially approached First State Super to discuss the idea of a merger because we wanted to find a way to access the benefits of scale to improve outcomes for VicSuper members. Our merger is going to generate significant benefits for the members of both funds, and I look forward to playing an ongoing role as we bring the funds together.*

**-ENDS-**

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### **About VicSuper**

VicSuper is a \$24 billion-strong profit-to-member superannuation fund with over 249,000 members and over 24,000 employers. VicSuper is committed to investing members' retirement savings responsibly to generate long-term value, provide peace of mind and financial security in retirement.

The Fund delivers award winning services, centred around guiding and advising members towards better retirement outcomes. VicSuper is the Fund of the Year, Member Services for 2017, 2018 and 2019 as awarded by ratings group Conexus Financial Services, and have the highest platinum performance rating from independent ratings agency SuperRatings whilst also being awarded Chant West's highest 5-apples rating.

Whilst having a heritage spanning over 20 years in the public sector servicing employees in education, health and community services, the Fund is open to all Australians and is experiencing strong private sector growth. The underlying assets of the Fund have doubled over the past 5 years. VicSuper's strategic plan is designed to continue to grow and build resilience into the Fund to help deliver long-term value for its members.

[vicsuper.com.au](http://vicsuper.com.au)

### **About First State Super**

With \$100 billion in assets, First State Super is one of Australia's largest industry funds providing superannuation, advice and retirement solutions to those who teach, nurse, care, respond and help others in our communities.

The Fund consistently delivers strong long-term returns to keep fees low, so members can retire with more. A diverse range of investment options are provided to members along with access to advice about their super and the investment options available to them.

Investments are focused on delivering strong long-term returns. The Fund aims to not only benefit the environment but contribute to jobs in the communities where their members live, work and retire.

First State has achieved the highest platinum performance rating from independent ratings agency SuperRatings for the past decade and has been awarded ChantWest's highest 5-apples rating.

[firststatesuper.com.au](http://firststatesuper.com.au)