

INVESTMENT CONSULTANTS MARKET INVESTIGATION

Notice of the Competition and Markets Authority's intention to operate a confidentiality ring following publication of the working paper on Asset Manager Product Recommendations

As part of the market investigation into the supply and acquisition of investment consultancy services and fiduciary management services to and by institutional investors and employers in the UK (the 'Investigation'), the Competition and Markets Authority ('the CMA') has received information and/or data from a number of parties, which the CMA has used and taken into account in producing its working paper on Asset Manager Product Recommendations to be published during the week commencing 19 March 2018.

Data to be disclosed

In particular, the CMA has received the following data:

- (a) the data underlying the analysis conducted to assess the performance of asset manager product recommendations, which is included in the working paper on Asset Manager Product Recommendations. This consists of:
 - i. data on asset management products, the performance of these and corresponding benchmarks, and the fees associated with these;
 - ii. data on the discounts (on asset manager fees) received by clients of investment consultants, and;
 - iii. data on ratings assigned to asset management products by investment consultants.

together the 'Disclosed Material'.

The CMA considers that the Disclosed Material includes 'specified information' within the meaning of section 238 of the Enterprise Act 2002 ('the Act'), to which the general restriction on disclosure by the CMA in section 237 of the Act applies. The CMA has decided to disclose the Disclosed Material to certain parties for the sole purpose of allowing such parties to review and understand the CMA's analyses in the working paper on Asset Manager Product Recommendations, in order to prepare submissions and make representations to the CMA in connection with the Investigation and, accordingly, to facilitate the exercise by the CMA of any of its statutory functions pursuant to section 241 of the Act and (if relevant) to prepare and conduct an appeal against any decision of the CMA in connection with the Investigation ('the Permitted Purpose').

The CMA intends to disclose the Disclosed Material through a confidentiality ring (the 'Confidentiality Ring'). Specific details of the Confidentiality Ring are set out below.

Confidentiality Ring Timing

The Confidentiality Ring will operate **from 9.30am on 29 March 2018 until 5pm on 19 April 2018**

Access to the Confidentiality Ring

In order to safeguard the confidentiality of the Disclosed Material, and in line with the CMA's Confidentiality Ring procedures¹, access to the Confidentiality Ring will be granted to a limited number of approved external legal and/or economic advisers of certain parties. These external advisers and their employer firms will be required to sign undertakings before they will be granted access to the Confidentiality Ring.

The draft undertakings that the external legal and/or economic advisers approved by the CMA (and their employer firms) will be required to sign before they will be granted access to the Confidentiality Ring by the CMA are attached at Appendices 1 and 2 of this Notice.

The CMA will approve a specified number of external legal or economic advisers per party to access the Confidentiality Ring. The CMA will consider the maximum number of advisers allowed to access the Confidentiality Ring based upon the number of expressions of interest received.

The CMA intends to make the Disclosed Material available through an external hard drive to the advisers who have provided satisfactory undertakings to the CMA ('the Authorised Advisers'). The CMA will make available one hard drive per relevant party, which one of the advisers will be permitted to collect from the CMA's offices between 9.30am and 5pm on any CMA working day² during the Confidentiality Ring period. A six-digit PIN to access the Disclosed Material will be sent by email to one adviser per relevant party shortly after the hard drive has been collected from the CMA's offices. The software necessary to replicate the CMA's analyses includes Stata 15 (IC/SE/MP) and Excel 2007 (or later version).

At 9.30 am on 29 March 2018 members of CMA staff will brief the Authorised Advisers on the disclosure process and will answer any questions.

This notice invites interested parties to submit expressions of interest for their external legal and/or economic advisers to access the Confidentiality Ring. In addition to providing an explanation of their interest, parties should also provide their reasons for requesting access to the Confidentiality Ring, and details of the interested party's external legal and/or economic advisers (ie name, job title and employer) seeking access to the Confidentiality Ring.

This notice also invites parties expressing an interest to submit any comments they may have on the CMA's proposed approach to disclosing the Disclosed Material, including the attached draft undertakings. Comments should be supported with an appropriate explanation so that the CMA is in a position properly to consider the merits of the comments received.

¹ See the CMA's guidance documents *Chairman's Guidance on Disclosure of Information in Merger Inquiries, Market Investigations and Reviews of Undertakings and Orders accepted or made under the Enterprise Act 2002 and Fair Trading Act 1973, CC7 and Transparency and Disclosure: the CMA's Policy and Approach, CMA6.*

² A CMA working day is any day of the week, Monday to Friday, on which the CMA's offices are open (and excludes public or English bank holidays).

Any expressions of interest together with any comments interested parties have on the attached draft undertakings must be submitted to the Investigation team at investmentconsultants@cma.gsi.gov.uk **by 5pm on 26 March 2018**. The CMA will consider the comments and each expression of interest received within the above deadline, and the reasons given for access to be granted, before deciding, at the CMA's discretion, whether to grant access to the Confidentiality Ring and whether any amendment is to be made to the attached draft undertakings.