

Anticipated Acquisition by BlackRock, Inc. of Preqin Holding Limited

Decision on relevant merger situation and substantial lessening of competition

ME/7121/24

The Competition and Markets Authority’s decision on relevant merger situation and substantial lessening of competition under section 22(1) of the Enterprise Act 2002 given on 12 February 2025. Full text of the decision published on 20 March 2025.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [§]. Some numbers have been replaced by a range, which are shown in square brackets.

Contents

SUMMARY	2
ASSESSMENT	6
1. PARTIES, MERGER AND MERGER RATIONALE	6
1.1 Parties.....	6
1.2 The Merger.....	7
1.3 Merger Rationale.....	8
2. PROCEDURE	8
3. JURISDICTION	9
4. COUNTERFACTUAL	18
5. COMPETITIVE ASSESSMENT	19
5.1 Background and nature of competition.....	19
5.2 Market definition.....	24
5.3 Theories of harm.....	28
6. ENTRY AND EXPANSION	45
DECISION	46

SUMMARY

OVERVIEW OF THE CMA'S DECISION

1. The Competition and Markets Authority (**CMA**) has found that the acquisition by BlackRock, Inc. (**BlackRock**) of Preqin Holding Limited (**Preqin**), is a relevant merger situation that does not give rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of input foreclosure.
2. On 1 July 2024, BlackRock UK Holdco 2 Limited, a wholly owned indirect subsidiary of BlackRock, agreed to purchase the entire issued share capital of Preqin, for approximately £2.55 billion. The CMA refers to this acquisition as the **Merger**. BlackRock and Preqin are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

Who are the businesses and what products/services do they provide?

3. BlackRock is global asset manager, with a diversified portfolio spanning various investment strategies and asset classes in both public and private markets. BlackRock is the largest asset manager in the world measured by assets under management. BlackRock also supplies a technology and risk management system, Aladdin, which supports a broad range of investment workflows, including capabilities specific to private markets through 'eFront'.
4. Preqin is a UK-based, privately-owned provider of private markets intelligence. Preqin's offering includes datasets, benchmarks and research reports (**DBR**) which are supplied to customers such as private markets asset managers, investors, consultants and advisory firms.
5. In addition to the Parties' activities in adjacent markets, they also both supply private market managed data services (**PMMDs**) which collect and aggregate fund performance reports into standardised formats for investors and provide analytics features to enable these customers to assess the performance of their portfolio.
6. For the purpose of this investigation, the CMA focused on the relationships between:
 - (a) the supply of DBR, where Preqin is active;
 - (b) private markets asset management, where BlackRock is active; and
 - (c) the development and supply of private market investable indices (**PMII**), where BlackRock has publicly indicated its intention to enter.

Why did the CMA review this merger?

7. The CMA's primary duty is to seek to promote competition for the benefit of consumers. It has a duty to investigate mergers that could raise competition concerns in the UK, provided it has jurisdiction to do so. In this case, the CMA has concluded that the CMA has jurisdiction to review this Merger because BlackRock and Preqin are both enterprises that will cease to be distinct as a result of the Merger, and because the share of supply test may be met on the basis of the Parties' combined share in the supply of PMMDS software with analytics features in the UK.
8. The Parties both supply PMMDS software with analytics features to UK-based customers and multinational customers that access/use the software within the UK. The supply of PMMDS software generates revenue for Preqin not only as part of its Colmore offering, but also by using the data collected through PMMDS as an input into its DBR offering (for example, by aggregating and anonymising deal and asset-level data for its 'Transaction Intelligence' functionality). The CMA has considered the importance of this differentiating feature of Preqin's offering in its assessment of the theories of harm below.
9. The Parties were not able to provide data on their customers using PMMDS software in the UK. Nor was the CMA able to identify any reliable estimates of the size of the market for UK users of PMMDS based on revenue or customer count. Taking this into account, the CMA instead assessed share of supply based on the number of UK-based full time equivalent employees engaged in the supply of PMMDS software. Having gathered this data on a consistent basis from other suppliers of PMMDS software with analytics features, the CMA has found that the Parties may together account for more than 25% of activity relating to the supply of PMMDS software with analytics features in the UK.

What evidence has the CMA looked at?

10. In assessing this Merger, the CMA considered a wide range of evidence in the round.
11. The CMA received several submissions and responses to information requests from the Parties. The CMA gathered information about the nature of the Parties' businesses, the Merger rationale, importance of the Parties' products to customers and the Parties' plans for future product developments in the private markets segment.
12. The CMA also examined the Parties' own internal documents, which show how the Parties' view the relationship between their various activities across a range of markets and the strength of their competitors in these markets. These internal documents were also helpful in understanding the Parties' future business plans if

the Merger were to proceed, particularly with regard to the development of new investable instruments for private assets.

13. The CMA spoke to and gathered evidence from customers and competitors, and also reached out to relevant regulators to seek their input on the impact of the Merger and any future developments in private markets. Prior to initiating its investigation, the CMA heard certain concerns from third parties about the effects of the Merger; those concerns have been thoroughly assessed by the CMA in its investigation.

What did the evidence tell the CMA about the effects on competition of the Merger?

14. The CMA looked at whether the Merger would create competition concerns as a result of non-horizontal effects in the supply of private markets DBR to (i) asset managers and (ii) developers/suppliers of PMII.
15. The CMA found that the Merger does not give rise to a realistic prospect of an SLC in either of these areas for the reasons below.

Theory of harm 1: Input foreclosure in the supply of private markets DBR to private markets asset managers

16. The CMA considered whether the Merged Entity could engage in input foreclosure that harms the competitiveness of BlackRock's rivals in private markets asset management, and therefore competition in the downstream market, through degrading access to Preqin's DBR.
17. The CMA found that the Merged Entity would not have the ability to foreclose rival asset managers. The CMA received mixed evidence on the importance of DBR. Some responding asset managers indicated it was important for certain parts of their workflow, while others indicated that there are other sources of the data required for those parts of the workflow. The CMA considers that DBR may be an important input for some asset managers, but it is unclear how important DBR is in shaping the downstream competitiveness of those asset managers. While Preqin is widely regarded as one of the leading suppliers of DBR, it is not the only strong supplier. The CMA considered that alternative suppliers of DBR, either individually or in aggregate, provide an increasingly effective constraint on Preqin's market power and an effective alternative for rival asset managers. In response to a foreclosure strategy, rival asset managers suggested that they could respond by increasing their usage and data contribution to Preqin's rivals.
18. Having found that the Merged Entity would have not the ability to foreclose its downstream rivals, the CMA did not need to conclude on whether it would have incentive to foreclose or whether such a strategy would have the effect of substantially lessening competition in the downstream market.

Theory of harm 2: Input foreclosure in the development and supply of PMII

19. The CMA also considered whether the Merged Entity could engage in input foreclosure that harms the ability of potential future rivals to BlackRock to develop and supply private market investable indices by degrading access to Preqin's DBR.
20. The CMA considered whether Preqin's DBR would be important for the development of rival PMII. The PMII market is at an early stage of development, and the nature and quality of PMII are inherently linked to the underlying data. There are some PMII currently available that rely only on a narrow set of publicly available data, whereas the Parties' internal documents suggest that BlackRock's future PMII are likely to rely instead on Preqin's DBR, [§]. On a cautious basis, the CMA considered potential future competition to develop and supply types of PMII that more closely resemble BlackRock's potential future offering and whether the Merged Entity would have the ability to foreclose rivals in this hypothetical segment of the PMII market by limiting their access to Preqin's DBR.
21. The CMA found that even within this narrow segment, there are several providers that are actively developing PMII based on data provided by alternative DBR suppliers or generated internally. On this basis, the CMA concluded that the Merged Entity would not have market power in the upstream supply of DBR for PMII and as such, would not have the ability to foreclose its future downstream rivals.

What happens next?

22. The Merger will therefore **not be referred** under section 33(1) of the Enterprise Act 2002 (the **Act**).

ASSESSMENT

1. PARTIES, MERGER AND MERGER RATIONALE

1.1 Parties

1.1.1 BlackRock

1. BlackRock, Inc. (**BlackRock**) is a US publicly traded company active in the provision of global investment management, financial technology and advisory services to institutional and retail clients around the world.¹ BlackRock's turnover in 2023 was approximately £14,366 million worldwide and approximately £[<] in the UK.²
2. BlackRock is active in asset management across various asset types in both public and private markets, and this generates the vast majority of its revenue.³ Measured by total assets under management (**AUM**) when including public and private holdings, BlackRock is the largest asset manager in the world.⁴
3. BlackRock is also active as a software provider through its Aladdin and eFront business divisions:⁵
 - (a) Aladdin provides technology to support the investment management workflow for public markets investors and investment managers; and
 - (b) eFront Insight offers investment and back-office workflow tools to private market customers, as well as private market managed data services (**PMMDS**).
4. PMMDS is the collection and aggregation of a client's own data for the client, which can be provided alongside analytics tools to allow clients to assess the performance of their assets.⁶

1.1.2 Preqin

5. Preqin Holding Limited (**Preqin**) is a UK-headquartered business which is active in collating and providing datasets, benchmarks and research reports (**DBR**)

¹ Final Merger Notice submitted to the CMA on 12 December 2024 (**FMN**), paragraph 72.

² FMN, Table 2.

³ In 2023, asset management represented approximately [<]% of BlackRock's global revenues (FMN, paragraph 73(b)).

⁴ AUM refers to the total value of the assets that a financial institution manages or invests on behalf of its client. See <https://www.advratings.com/top-asset-management-firms>, last accessed 12 February 2025.

⁵ FMN, paragraph 73(a).

⁶ FMN, paragraph 75.

primarily covering private markets.⁷ Preqin's turnover in 2023 was £165.17 million worldwide and £23.94 million in the UK.⁸

6. Private markets DBR comprises a broad range of private markets intelligence and data utilised by a variety of customers, including Limited Partners (**LPs**), General Partners (**GPs**)⁹ and other smaller customer segments collectively referred to as Service Providers (**SPs**).¹⁰ DBR includes the following:
 - (a) **Datasets** relating to private markets, including developments, trends and performance updates relating to private market funds, assets and participants, collected from a variety of sources,¹¹ including directly from market participants such as GPs and LPs who provide proprietary data to Preqin, which Preqin estimates accounts for about [§<] of its '[§<] datasets'.¹²
 - (b) **Benchmarks** are standards used to measure the performance of private markets funds or private asset classes compared to other funds or asset classes. Preqin, for example, offers 'Transaction Intelligence' which is a benchmarking tool which enables performance analysis at the deal level and incorporates aggregated/anonymised data [§<].¹³
 - (c) **Research Reports** are industry reports concerning private markets trends and developments.¹⁴
7. Preqin is also active in the supply PMMDS through its subsidiary Colmore Insight, which it acquired in 2021.¹⁵

1.2 The Merger

8. On 1 July 2024, BlackRock UK Holdco 2 Limited, a wholly owned indirect subsidiary of BlackRock, agreed to purchase the entire issued share capital of Preqin. The transaction value is approximately £2.55 billion.¹⁶
9. The CMA refers to this acquisition as the **Merger**. BlackRock and Preqin are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

⁷ FMN, paragraph 36.

⁸ FMN, Table 2.

⁹ For the purpose of this Decision, the CMA refers to GPs to include General Partners and other fund managers.

¹⁰ FMN, paragraph 53. Service Providers can include, but may not be limited to financial advisers, investment banks, law firms and consultancies.

¹¹ Including, for example, public sources such as company websites, annual accounts, regulatory filings, press releases and Freedom of Information requests (FMN, paragraph 60).

¹² Preqin Internal Document, Annex 0704 to the FMN, [§<], page 3.

¹³ Preqin Internal Document, Annex 2480 to the FMN [§<], 12 June 2024.

¹⁴ FMN, paragraph 38-40.

¹⁵ FMN, paragraphs 63 and 19.33.4.

¹⁶ FMN, paragraphs 2.1 and 2.5.

1.3 Merger Rationale

10. The Parties submit that the main strategic rationales for the Merger are:
- (a) BlackRock's strategic entry into the provision of private markets DBR;¹⁷
 - (b) to increase the distribution of Preqin's DBR more widely to customers, including through partnerships with third-party distributors, to make private markets data more widely available to the industry;¹⁸ and
 - (c) to generate revenue synergies, including through the:
 - (i) launch of new products, such as private markets investible indices (PMII);
 - (ii) increase of Preqin product sales on a standalone basis; and
 - (iii) cross-selling of products.¹⁹
11. The CMA considers that the Parties' internal documents, as well as public statements about the Merger,²⁰ broadly support this rationale. BlackRock internal documents, for example, [§<],²¹ [§<].²²
12. In initial announcements regarding the Merger, BlackRock's senior leadership placed particular significance on the role that Preqin's data would play in facilitating BlackRock's entry into PMII. On 1 July 2024, one day after the Parties announced the Merger, Larry Fink, BlackRock CEO told investors 'we anticipate indexes and data will be important future drivers of the democratization of all alternatives... and this acquisition is the unlock'.²³ Similarly, Martin Small, BlackRock CFO, noted BlackRock's ability 'to take some of this [Preqin's] data, use it and create investable indices'.²⁴

2. PROCEDURE

13. The CMA's mergers intelligence function identified the Merger as warranting an investigation.²⁵

¹⁷ FMN, paragraph 2.10.

¹⁸ FMN, paragraph 5.

¹⁹ FMN, paragraph 5(b).

²⁰ See, for example, BlackRock's press release: [Press Release: BlackRock to Acquire Preqin | Aladdin®](#).

²¹ BlackRock Internal Document, Annex 0809 to the FMN, [§<], page 3 and 13.

²² BlackRock Internal Document, Annex 0809 to the FMN, [§<], page 3.

²³ Bloomberg, '[BlackRock Aims to 'Index the Private Markets' After Preqin Deal](#)' (1 July 2024), last accessed 12 February 2025.

²⁴ Reuters, '[BlackRock's private market ETF ambitions draw scepticism](#)' (1 July 2024), last accessed 12 February 2025.

²⁵ [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), 25 April 2024, paragraphs 6.4–6.6. CMA2

Revised was further updated on 2 January 2025, however, as the initial period for consideration of the Merger

14. The CMA commenced its phase 1 investigation on 13 December 2024. As part of its phase 1 investigation, the CMA gathered a significant volume of evidence from the Parties. In response to targeted information requests, the CMA received and reviewed internal documents from BlackRock and Preqin. The Parties also had opportunities to make submissions and comment on the CMA's emerging thinking throughout the phase 1 investigation. For example, on 13 January 2025 the CMA invited the Parties to attend an Issues Meeting, and the Parties submitted their views in writing.
15. The CMA also gathered evidence from other market participants such as customers and competitors and reached out to relevant regulators for input. Prior to initiating its investigation, and during its investigation, the CMA received submissions from third parties expressing concerns about the impact of the Merger on competition in the markets in which the Parties are active. The evidence the CMA has gathered has been tested rigorously, and the context in which the evidence was produced has been considered when deciding how much weight to give it.
16. Where relevant, this evidence has been referred to within this Decision.
17. The Merger was considered at a Case Review Meeting.²⁶

3. JURISDICTION

18. In the context of an anticipated transaction, a relevant merger situation exists where (i) two or more enterprises will cease to be distinct; and (ii) either the turnover test or share of supply test are met.²⁷
19. Each of BlackRock and Preqin is an enterprise. As a result of the Merger, BlackRock will acquire the entire issued share capital of Preqin.²⁸ Therefore, these enterprises will cease to be distinct and the first part of the test is met.
20. Preqin's UK turnover was £23.94 million in FY 2023.²⁹ Therefore, the turnover test is not met. The CMA therefore considered whether the share of supply test is met.

commenced prior to this guidance coming into force, Chapter 4 of the April 2024 version remains the applicable guidance for the purposes of this Decision.

²⁶ CMA2, page 39.

²⁷ As the initial period for consideration of the Merger under section 34ZA(3) of the Act started on 13 December 2024, the amendments to the tests for assessing jurisdiction under the Act introduced by the Digital Markets, Competition and Consumers Act 2024 do not apply to the Merger. Accordingly, the jurisdictional tests in force immediately prior to 1 January 2025 apply to the Merger. See paragraph 5(1)(b)(i) of the schedule to The Digital Markets, Competition and Consumers Act 2024 (Commencement No. 1 and Savings and Transitional Provisions) Regulations 2024.

²⁸ FMN, paragraph 2.1.

²⁹ FMN, paragraph 5.1.1.

3.1 Share of supply test

21. Under section 23 of the Act, the share of supply test is satisfied if the merging parties both either supply or acquire goods or services of a particular description in the UK, and will, after the merger, supply 25% or more of those goods or services in the UK as a whole or in a substantial part of it.³⁰
22. The share of supply test therefore contains the following three key elements:
 - (a) a product element (ie the supply or procurement of good or services of any description);
 - (b) a geographical element (ie the UK or a substantial part of it); and
 - (c) a quantitative element (ie the 25% threshold).
23. The CMA's jurisdictional tests were designed to bring within the scope of UK merger control those mergers that relate to activity in the UK (or a part of it), while excluding those 'transactions that are of no economic concern' to the UK. In keeping with the intention of the Act, the share of supply test acts as a gateway to provide the CMA with the power to investigate, and where necessary, to intervene, in transactions which are relevant to UK markets or activities and which might restrict competition in the UK.
24. In this case, both Parties are active in the supply of PMMDS. PMMDS is one input in the supply of Preqin's DBR, a product that is the focus of the CMA's theories of harm set out below. One of the measures of share of supply that Parliament set out in the Act is the number of workers. Data available to the CMA indicates that the Parties' combined share in the supply of PMMDS software with analytic features within the UK, measured by reference to the number of full-time equivalent employees (**FTEs**) in the UK that make arrangements for the supply of this software, exceeds 25% and on that basis, the CMA believes that the share of supply test is or may be met. While the CMA considered various other measures of share of supply, there was insufficiently robust data available to conclude on the Parties' shares of supply on these alternative measures.

3.1.1 Parties' submissions

25. The Parties submitted that the Merger will not result in a relevant merger situation because the turnover test is not met.³¹ The Parties further submit that their activities only overlap with respect to PMMDS and that the Parties' combined

³⁰ CMA2 (April 2024 version) paragraph 4.58.

³¹ FMN, paragraph 5.1.1; Parties' response to the Issues Letter, 24 January 2025, paragraph 8.

share of supply of PMMDS in the UK is less than [5-10]% 'on the narrowest possible basis'.³²

26. In the absence of any public reports or research into the size of the UK PMMDS market, the Parties calculated the size of the PMMDS market in the UK by reference to the approximate number of LPs that may outsource PMMDS (based on portfolio size) and estimated spend by size of customer.³³ The Parties described this methodology as conservative and robust based on the Parties' market intelligence.³⁴ Using this methodology, the Parties' estimate that the PMMDS market in the UK is worth USD [X].³⁵
27. The Parties' calculated their share of this market based on their respective revenue for PMMDS from customers whose primary contact is located in the UK (or in some instances are invoiced in the UK).³⁶ On this basis, the Parties calculated that BlackRock's share of the UK PMMDS market is [0-5]% and Preqin's share is [0-5]%.³⁷
28. With regard to the metric employed by the CMA in calculating the share of supply, the Parties submitted that using the number of UK FTEs engaged in supplying PMMDS software with analytic features is irrational and unfair because:
 - (a) given the nature of PMMDS, the location from which the services are supplied is irrelevant and therefore there is no meaningful nexus between a PMMDS suppliers' number of UK-based FTEs and the volume it supplies to UK customers;³⁸
 - (b) the shares of supply calculated by reference to FTEs is not representative of shares based on other available metrics (eg while BlackRock generates [X] UK revenue than Preqin it has [X] of UK-based FTEs than Preqin);³⁹
 - (c) FTEs should only be used as a measure when there are no actual supplies that can be measured;⁴⁰ and
 - (d) asserting jurisdiction over a business that has decided to locate many of its employees in the UK amounts to an unfair penalty for investing and creating jobs in the UK.⁴¹

³² FMN, paragraph 5.1.2, Parties' response to the Issues Letter, 24 January 2025, paragraph 8.

³³ FMN, paragraphs 13.5–13.6.

³⁴ Parties' response to the Issues Letter, 24 January 2025, paragraph 10.

³⁵ FMN, paragraph 13.6.4.

³⁶ Preqin's response to the CMA's section 109 Notice, 5 December 2024, paragraph 4.

³⁷ FMN, paragraphs 13.7–13.8.

³⁸ Parties' response to the Issues Letter, 24 January 2025, paragraph 14.

³⁹ Parties' response to the Issues Letter, 24 January 2025, paragraph 17.

⁴⁰ Parties' response to the Issues Letter, 24 January 2025, paragraph 19(a).

⁴¹ Parties' response to the Issues Letter, 24 January 2025, paragraphs 21–23.

29. The Parties also submitted that the CMA’s methodology for calculating shares based on FTEs was flawed because it appeared to omit a number of suppliers: (i) that the Parties’ desktop analysis had identified as having a material number of UK-based FTEs; and/or (ii) that the Parties expected would generate material revenues from UK customers.⁴²

3.1.2 Applying the share of supply test

3.1.2.1 *Supply of goods or services of any description*

30. The Act confers on the CMA a broad discretion to identify a specific category of goods or services supplied or acquired by the merger parties.⁴³ The CMA will have regard to any reasonable description of a set of goods or services to determine whether the share of supply test is met – this need not correspond to a relevant economic market for the purposes of the substantive assessment of the merger.⁴⁴ Under section 23(8) of the Act, the CMA can apply such criteria as it considers appropriate to decide whether certain goods or services should be treated as being of the same or separate description.⁴⁵
31. The CMA initially considered the nature of the overlapping activities of the Parties, for the purposes of applying the share of supply test.
32. The Parties both supply PMMDS software with analytics features to UK-based customers and multinational customers that access/use the software within the UK. The supply of PMMDS software generates revenue for Preqin not only as part of its Colmore offering, but also by using the data collected through PMMDS as an input into its DBR offering (for example, by aggregating and anonymising deal and asset-level data for its ‘Transaction Intelligence’ functionality).⁴⁶
33. As noted above, the Parties both supply PMMDS (see paragraph 7). The evidence received by the CMA suggests that the provision of PMMDS varies significantly – from in-house manual processing of the data;⁴⁷ technology-driven data extraction and processing without a user interface; and PMMDS provided alongside a broader analytics offering.⁴⁸
34. While the Parties submitted that these services were not sufficiently distinctive to constitute relevant segments within PMMDS for applying the share of supply

⁴² Parties’ response to the Issues Letter, 24 January 2025, paragraphs 24–26.

⁴³ [CMA2](#), paragraph 4.59.

⁴⁴ [CMA2](#), paragraph 4.59(a)-(b).

⁴⁵ [CMA2](#), paragraph 4.59(d).

⁴⁶ The CMA considered the loss of competition between the Parties in the supply of PMMDS, but found that there are sufficient remaining competitive constraints to offset the loss of competition between the Parties in the supply of PMMDS. The CMA nevertheless considered the role of data gathered by Preqin through Colmore’s PMMDS function in determining the strength of Preqin’s DBR offering as an input in both theories of harm assessed below.

⁴⁷ FMN, paragraph 66.

⁴⁸ Response to the CMA PMMDS competitor questionnaire from third parties, December 2024.

test,⁴⁹ third parties told the CMA that the analytic functionality of PMMDS suppliers are key differentiators⁵⁰ and are very important for some customers.⁵¹ In particular, many suppliers that have these functionalities describe benchmarking, analytics and insight capabilities as key components of the service.⁵²

35. BlackRock identified Preqin's Colmore Insight and five other suppliers that each provide the same analytics features as BlackRock offers alongside PMMDS,⁵³ and a further nine suppliers that include some analytic features but that lack the full range of features. Evidence from third parties suggests that some of the suppliers included in this latter category may provide a broader range of analytic features than BlackRock has identified.⁵⁴ The CMA has included these suppliers in its analysis. The CMA has also had regard to information provided by Preqin about the analytic capabilities of suppliers identified in this competitor set.⁵⁵
36. On this basis, the CMA has found that for the purposes of the share of supply test, it is reasonable to differentiate between the supply of PMMDS software with analytics features, and the supply of PMMDS software without such features, and that the appropriate description of the market is therefore that of the supply of 'PMMDS software with analytics features'.⁵⁶

3.1.2.2 *Supply in the UK or a substantial part of it*

37. The CMA will consider the commercial reality of the merger parties' activities when assessing how goods or services are supplied, focussing on the substance rather than the legal form of arrangements.⁵⁷ The CMA will apply the general approach of considering services to be supplied in the UK where they are provided to customers which are located in the UK in a flexible and purposive way, having regard to factors such as where the services are ultimately delivered, supplied, access or used.⁵⁸ This approach applies in the case of sales to multinational companies, irrespective of the place of incorporation, domicile or principal place of business.⁵⁹ The Act further provides that the supply of services includes the

⁴⁹ Parties' response to the Issues Letter, 24 January 2025, paragraph 9(b).

⁵⁰ Response to the CMA PMMDS competitor questionnaire from third parties, December 2024.

⁵¹ Response to the CMA PMMDS competitor questionnaire from third parties, December 2024.

⁵² Response to the CMA PMMDS competitor questionnaire from third parties, December 2024.

⁵³ These competitors are CEPRES, MSCI (Burgiss), Hamilton Lane, LP Analyst and Cambridge Associates (BlackRock response to s109 notice dated 22 October 2024, Table 1). Of these competitors, one confirmed that it does not offer PMMDS (with analytics) as a service which is available to customers that do not otherwise acquire a broader package of services. In any event, the CMA does not currently consider that including this competitor in its share of supply analysis would have a material impact on its assessment (see shares at Table 1 below for further detail).

⁵⁴ Response to the CMA PMMDS competitor questionnaire from third parties, December 2024.

⁵⁵ FMN, footnote 96.

⁵⁶ As noted in paragraph 30, the market identified for the purposes of the share of supply test need not correspond to a relevant economic market for the purposes of the substantive assessment of the merger. While the CMA found that there are sufficient remaining competitive constraints to offset the loss of competition between the Parties in the supply of PMMDS, the CMA nevertheless considered the role of data gathered by Preqin through Colmore's PMMDS function in determining the strength of Preqin's DBR offering as an input in both theories of harm assessed below.

⁵⁷ [CMA2](#), paragraph 4.59(c).

⁵⁸ [CMA2](#), paragraph 4.60(b).

⁵⁹ [CMA2](#), paragraph 4.60(b).

provision of service by making them available to potential users and making arrangements for the use of computer software.⁶⁰

38. As noted above, both Parties supply PMMDS software with analytics features to customers in the UK. This includes customers that are based in the UK (which Preqin has determined by the location in which the customer is invoiced or alternatively that have their primary contact in the UK).⁶¹ However, the evidence received by the CMA suggests that the market for PMMDS is global (or at least wider than UK), and that other customers who have not been allocated to the UK as a result of their invoicing / primary contact location, may also access the Parties' services from within the UK.
39. While some of the Parties' and their competitors' customers are UK-based LPs, the CMA understands that there are a considerable number of customers that, while not based in the UK (as determined by the Parties' definition), have material operations in the UK through which the Parties' services are accessed.
40. Further, the nature of the service supplied by the Parties and their competitors in the supply of PMMDS software with analytics features requires the anonymous aggregation of customers' portfolio performance data to enable certain analyses. As such, these services may engage activities which cannot be readily attributed to a particular customer (and therefore a particular geography).

3.1.2.3 *Quantification of share of supply*

41. The CMA has considered whether the Parties' supply of PMMDS software with analytics features in the UK will result in a share of supply of 25% or more, with an increment to the share of supply arising from the Merger.

3.1.2.3.1 *Appropriate measure or combination of measures for calculating share of supply*

42. The CMA has considered the suitability of several different potential criteria for calculating share of supply. The CMA has decided that the number of UK-based FTEs engaged in the supply of PMMDS software with analytics features (ie engaged in the activity in which the Parties overlap) is an appropriate criterion for deciding whether the share of supply threshold is met. The CMA also considered alternative criteria, including the revenue generated from the supply of PMMDS software with analytics features to customers in the UK and the number of UK-based customers. However, the CMA does not consider these alternatives are

⁶⁰ Section 128 of the Act.

⁶¹ Preqin's response to the CMA's section 109 Notice, 5 December 2024, paragraph 4.

appropriate because it has found that the data in support of these alternative measures was insufficiently robust, as discussed below.

43. As noted in paragraph 40 above, the nature of the services supplied by the Parties' and their competitors' means that the relative size of their operations cannot be readily apportioned between the various locations in which customers are located. During the course of its investigation, the CMA sought information from the Parties to assess their shares of supply in PMMDS software with analytics features to UK users, but was unable to obtain adequate data. During the first part of the CMA's investigation, the Parties advised the CMA that they would not be able to apportion revenue to customers operating in the UK.⁶²
44. The CMA was unable independently to identify any reliable independent estimates of the total UK revenues / total UK customer numbers in this segment. Nor was it able to verify the total UK revenue estimate submitted by the Parties. Third-party estimates of market size by revenue or customer count were consistently significantly smaller (in some cases, up to three times smaller) than the Parties' estimates, which casts further doubt on the reliability of the Parties' estimate.⁶³
45. At a late stage in the process, following receipt of the CMA's Issues Letter, the Parties submitted that Preqin was able to identify the location of current users accessing Colmore Insight through the HELIOS portal and that [redacted] of its total users are based in the UK.⁶⁴ The Parties did not provide the CMA with the underlying data for Preqin users or any equivalent data on BlackRock's PMMDS users. Nor did the Parties make submissions about the extent to which these findings on the location of Colmore Insight users may be used to apportion revenue to the UK. In any event, the submission of this data at a late stage of the CMA's investigation meant that the CMA was not then able to seek comparable data from other PMMDS software suppliers.
46. As such, the CMA does not consider that measures based on revenue or customer count in the UK adequately capture the commercial reality of the services offered by the Parties in the UK.

3.1.2.3.2 *Calculations based on UK-based FTEs*

47. In this case, the CMA considers that the number of UK-based FTEs engaged in the supply of PMMDS software with analytics features is an appropriate criterion to assess whether the 25% threshold is satisfied. The CMA notes that section 23(5)

⁶² BlackRock's response to the CMA's section 109 Notice, 5 December 2024, paragraph 19.1; email from Macfarlanes LLP to the CMA on 5 December 2024.

⁶³ Response to the CMA questionnaire from third parties, December 2024, Questions 11-16.

⁶⁴ Parties' response to the Issues Letter, 24 January 2025, paragraph 18(c).

the Act specifically identifies number of workers employed as a basis on which the CMA might assess share of supply.⁶⁵

48. The CMA considers that the number of UK-based FTEs engaged in the supply of PMMDS software with analytics features is an appropriate criterion for deciding whether the share of supply threshold is met because there is sufficiently robust data to calculate the Parties' shares of supply and because this measure adequately reflects the commercial reality of the Parties' presence in the UK. This is consistent with the definition of 'supply' under the Act as it relates to the provision of software.⁶⁶
49. Contrary to the Parties' submissions, the CMA is not required to use revenue or customer count to determine share of supply. The Act expressly states that the number of UK workers is a criterion that may be used for assessing shares of supply. In this case, the CMA considers the use of revenue data or customer count would be inappropriate because the absence of sufficiently robust data means it is not possible to establish reliable estimates of the overall size of supply, and therefore the Parties' shares of supply. The CMA does not accept that the use of the UK-based FTE criterion is unfair.

3.1.2.3.3 *Calculating the 25% threshold*

50. In this case, the CMA considers that the share of supply test is or may be satisfied by the number of UK FTEs engaged in the supply of PMMDS software with analytics features.
51. BlackRock submitted that the list of suppliers it has identified and the analytic functionalities that the suppliers may offer is not exhaustive.⁶⁷ The CMA has therefore sought further evidence, including from third parties, to identify any additional suppliers that may have a material presence in the UK and/or supply the full range of analytics features. As noted in paragraph 35, the CMA has included several suppliers in its analysis on the basis of this additional evidence (including some of the suppliers named by the Parties as having been omitted from the CMA's analysis⁶⁸); These additional suppliers have been included in the CMA's calculations within the 'other' category.

⁶⁵ The CMA also notes that this measure has been used as the basis for share of supply analysis in several previous cases including CVS/Quality Pet Care (2023) and subsequent veterinary merger inquiries and Roche/Spark (2020); though the Parties submitted that this case must be distinguished from past cases using this metric (Parties' response to the Issues Letter, 24 January 2025, paragraph 19).

⁶⁶ Section 128(4) of the Act.

⁶⁷ FMN, paragraph 14.5.

⁶⁸ See paragraph 29 above. Of the providers listed by the Parties as having been omitted from the share of supply analysis (Parties' response to the Issues Letter, 24 January 2025, paragraph 25), the majority had been included within the 'other' category, as the CMA has been able to independently verify the scope of their offering. As noted in paragraph 36, the CMA excluded providers that do not provide PMMDS with analytics features from its assessment, however in any event, the inclusion of *all* additional providers identified by the Parties would not be sufficient to dilute the Parties' shares below the threshold.

52. The CMA has further considered whether the list of additional competitors identified in the Parties' PMMDS tender data,⁶⁹ that were not included in Table 1 to BlackRock's list of identified suppliers,⁷⁰ supply PMMDS software with analytics features. The evidence the CMA has received, including from third parties, suggests that these firms are not considered as competing suppliers of PMMDS software with analytics features (aside from one firm which has been included in the CMA's assessment as 'other').⁷¹
53. If share of supply is assessed based on all UK-based FTEs engaged in the supply of PMMDS software with analytics features, the Parties' combined share of supply would be greater than 60% (see Table 1).
54. If share of supply is assessed based on a pro-rated number of UK-based FTEs for Preqin, based on Preqin's estimate of the number of UK-based users⁷² (noting that the CMA does not have comparable data for all other suppliers included in 17, including BlackRock), this would nevertheless result in Preqin having a share of supply of [10-20]% and BlackRock having [10-20]% such that the share of supply test would still be met.

Table 1: Shares of supply in PMMDS software with analytics features in the UK (on the basis of FTE)

<i>Supplier</i>	<i>Share of supply (%)</i>
BlackRock	[5-10]%
Preqin	[50-60]%
Parties (combined)	[60-70]%
CEPRES	[0-5]%
MSCI/Burgiss	[10-20]%
Hamilton Lane	[0-5]%
Cambridge Associates	[0-5]%
Other ⁷³	[20-30]%

⁶⁹ Annex 0823 to the FMN, 'Bidding Data', 11 October 2024.

⁷⁰ BlackRock response to the second s109 notice dated 22 October 2024.

⁷¹ The CMA has nevertheless considered other measures, such as revenue data to the extent available, to ensure that the use of FTEs does not obscure the material UK presence of any other suppliers that may not have FTEs based in the UK. Based on this evidence, and as explained further below, the CMA considers that there are no suppliers that have material revenue in the UK but do not have material UK FTEs engaged in supplying PMMDS software with analytic features which have been excluded from the CMA's calculations.

⁷² As discussed at paragraph 45 above.

⁷³ The additional suppliers that have not been identified by the Parties as supplying PMMDS software with full analytics functionality, but that the CMA consider should be included in this competitor set are included as 'Others'. If these competitors are excluded the Parties' combined share of supply is greater than 80%.

55. As noted above, on the basis of its additional evidence gathering and cross-checks, the CMA considers that it is unlikely that a competitor with a material UK presence has been inadvertently excluded from the CMA's shares of supply calculation.
56. The CMA has not been able to obtain confirmation of the number of UK workers for every supplier within this expanded set of competitors. However, given the Parties' substantial combined share based on current calculations, the CMA considers that it is unlikely that the share of supply represented by this small tail of expanded competitors would be sufficiently large to dilute the Parties' combined share such that the threshold is not met.

3.1.3 Conclusion on jurisdiction

57. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.
58. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 13 December 2024 and the statutory 40 working day deadline for a decision is therefore 12 February 2025.

4. COUNTERFACTUAL

59. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).⁷⁴
60. In an anticipated merger, the counterfactual may consist of the prevailing conditions of competition, or conditions of competition that involve stronger or weaker competition between the parties to a merger than under the prevailing conditions of competition.⁷⁵ In determining the appropriate counterfactual, the CMA will generally focus on potential changes to the prevailing conditions of competition only where there are reasons to believe that those changes would make a material difference to its competitive assessment.⁷⁶
61. In this case, the CMA has not received submissions (or other evidence) suggesting that the Merger should be assessed against an alternative counterfactual. Therefore, the CMA believes the prevailing conditions of competition to be the relevant counterfactual.

⁷⁴ [Merger Assessment Guidelines](#) (CMA129), March 2021, paragraph 3.1.

⁷⁵ CMA129, paragraph 3.2.

⁷⁶ CMA129, paragraph 3.9.

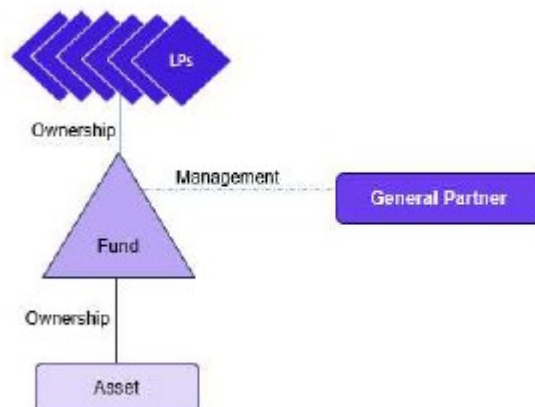
5. COMPETITIVE ASSESSMENT

5.1 Background and nature of competition

5.1.1 Overview of public and private markets

62. Public markets are investments in conventional assets or businesses that are publicly listed, including investments in publicly traded equity, debt and other assets. In contrast, private markets refer to alternative investment types that do not fall into conventional asset categories.⁷⁷
63. Public and private assets are traded differently because, by nature, alternative assets are generally considered illiquid which restricts how they may be invested in, valued and traded. Due to this, private markets are (i) characterised by significantly less transparency; and (ii) less accessible to many investors.
64. Investment in private markets typically takes place through fund structures, the Parties submitted the below diagram explaining this process.

Figure 1: Simplified private markets fund structure⁷⁸



65. Figure 1 shows a simplified fund structure. Investors invest into a fund⁷⁹ as Limited Partners (LPs). General Partners (GPs) such as asset managers and private equity firms manage the fund, meaning they decide the investment strategy of the fund, including which assets the fund should invest in, with a view to generating returns on those investments for the LPs.⁸⁰

⁷⁷ FMN, paragraphs 44 and 45. Alternative investment types can, for example, include private equity, venture capital, private debt, real estate, infrastructure, hedge funds, and other forms of non-publicly traded assets.

⁷⁸ FMN, Figure 1.

⁷⁹ Which is an investment vehicle pooling investment from several LPs. In return LPs receive partnership units in the fund according to the size of their investment.

⁸⁰ FMN, paragraph 46-47.

66. A range of service providers assist LPs and GPs in their activities, including and not limited to, DBR providers, law firms, placement agents and providers of workflow solutions.⁸¹

5.1.2 Trends in private markets

67. Investment in private markets is growing. In its 2028 Future of Alternatives report, Preqin forecasted that alternative AUM will likely exceed \$30 trillion by 2030.⁸² The Financial Conduct Authority has also stated that over half of European private markets AUM is sitting in the UK, with significant UK growth of private market AUM which has almost trebled in the decade to 2023.⁸³
68. BlackRock expects that private markets will ‘contribute over [X]% of global, cumulative industry revenue growth through to 2030’.⁸⁴ BlackRock attributes growth of private markets to various factors including changes in traditional credit lending policies, financing needs of governments and companies, and companies staying private for longer.⁸⁵
69. Investor interest in private market investing is growing and is projected to continue in the future.⁸⁶ This trend is evidenced not only by increasing allocations of private markets assets from defined contribution pension schemes and wealth managers but also in the democratisation of private markets which is expected to increase penetration from non-institutional capital.⁸⁷
70. A recent article by Forbes describes a broad trend in which ‘data’ is becoming a cornerstone of private market investment strategies, including how the integration of data and analytical tools can be expected to improve insights and decision-making capabilities.⁸⁸

5.1.3 The Parties’ products in private markets

71. Both Parties are predominantly active in complementary segments within private markets, and overlap in the supply of private market managed data services (PMMDS).⁸⁹

⁸¹ FMN, paragraph 48. Preqin and BlackRock’s eFront business are considered service providers for the private markets investment industry.

⁸² Preqin submission to the CMA, ‘CMA Teach-in’, 25 September 2024.

⁸³ [Rising to the occasion on private markets | FCA](#), last accessed 12 February 2025.

⁸⁴ BlackRock Internal Document, Annex 0017 to the FMN, [X]BlackRock Internal Document, Annex 0018 to the FMN, [X], page 16.

⁸⁵ BlackRock Internal Document, Annex 0864 to the FMN, [X].

⁸⁶ Note of call with third party, December 2024, paragraph 3.

⁸⁷ Preqin Internal Document, Annex 0805 to the FMN, [X], page 17, page 19.

⁸⁸ Forbes, [What BlackRock’s Acquisition Of Preqin Means For Family Office Data](#), (7 July 2024) last accessed 12 February 2025.

⁸⁹ The CMA does not consider that the Parties’ overlap in PMMDS gives rise to a realistic prospect of an SLC. This overlap is therefore not discussed further in this Decision.

5.1.3.1 *Preqin*

72. Preqin is primarily active as a collator and provider of private markets DBR, and it also offers solutions to private market investors through its Colmore Insight business.⁹⁰

5.1.3.1.1 *Private markets DBR*

73. As described in paragraph 6, Private markets DBR constitutes a broad range of private markets intelligence comprising datasets, benchmarks and research reports.

74. The Parties submit that data relating to private markets faces certain challenges when compared with the collection of data relating to public markets. For example, there is a lower degree of regulatory oversight in private markets compared to public markets which leads to relatively less data being available from public/regulatory sources.⁹¹

75. DBR providers source data from various sources which may include publicly available information and proprietary sources.⁹² For example, Preqin's public sources include information collected from news articles and company websites, and its proprietary sources include voluntary contributions from GP customers of Preqin, responses to Freedom of Information Act requests and data collected from LP and GP customers of PMMDS [redacted].⁹³

76. The main customers for DBR products are GPs, LPs and SPs. GPs and LPs use DBR for their respective activities in private markets. Use cases for DBR vary, for example, GPs may use DBR to identify investment opportunities, identify prospective investors and develop fund strategies, amongst other uses. Whilst LPs may use DBR for activities such as due diligence on the investments and performance of GPs and research on where to invest capital.⁹⁴

⁹⁰ FMN, paragraph 32 and 63. Colmore Insight's solutions are PMMDS (which it overlaps in with BlackRock), and Fund Administration and Fee Validation (FAIR).

⁹¹ Preqin Internal Document, Annex 0836 to the FMN, [redacted], paragraph 11. Other challenges include: (i) differences in regulatory environments across geographies and lack of standardisation; (ii) introduction of new asset classes; (iii) customised nature of private market transactions resulting in different terms for LPs in the same fund; and (iv) reliance on the use of Excel and PDFs by market participants as opposed to public markets which have more streamlined and automated data formats.

⁹² Responses to the CMA DBR competitor questionnaire from a third party, December 2024, question 5.

⁹³ BlackRock Internal Document, Annex 0805 to the FMN, [redacted], slide 36.

⁹⁴ FMN, paragraph 54.

5.1.3.2 *BlackRock*

5.1.3.2.1 *Private markets asset management*

77. As described in paragraph 65, private markets investment is characterised by the use of private markets funds, which pool investments provided by LPs. GPs manage these funds on behalf of LPs - this is referred to as private markets asset management.
78. BlackRock is active as an asset manager. As part of its '[<] strategy, BlackRock is positioning its strategic focus [<], which it aims to account for approximately [<] % of total revenue by 2030.⁹⁵
79. Of the USD16.251 billion revenue that BlackRock generated through asset management in FY2023, approximately USD [<] related to private markets asset management (excluding liquid credit).⁹⁶ However, to account for the growing trend in private markets outlined above, BlackRock has identified a strategic priority to [<].⁹⁷

5.1.3.2.2 *Technology service provider*

80. BlackRock is also active in private markets as a technology provider (through its Aladdin/eFront business division).⁹⁸
81. Aladdin is BlackRock's software solution for investment workflow tools which assists investors and investment managers with monitoring their investment portfolios.⁹⁹ Within Aladdin, eFront (which was acquired by BlackRock in 2019¹⁰⁰) provides functionality for these customers' private market activities. BlackRock describes Aladdin as a [<].^{101, i}

5.1.3.2.3 *Private markets investible indices*

82. As described in paragraph 63, investment in private markets assets is characterised by reduced transparency and liquidity when compared to investments in public markets.
83. In public markets, indices provide information on the current and historic performance of a stock market, which can be 'investible' through products such as exchange-traded funds (**ETFs**), the value of which generally tracks the value of the

⁹⁵ BlackRock Internal Document, Annex 0018 to the FMN, [<], page 16.

⁹⁶ BlackRock's response to the CMA section 109 Notice, 7 January 2025, paragraph 10.5.

⁹⁷ BlackRock Internal Document, Annex 0864, [<], page 1.

⁹⁸ FMN, paragraph 73. Through its eFront Insight offering, BlackRock overlaps with Preqin in the supply of PMMDS (as discussed in further detail in paragraphs 30 to 36 on jurisdiction).

⁹⁹ FMN, paragraph 73 (a)(ii).

¹⁰⁰ BlackRock, [BlackRock Completes Acquisition of eFront](#), last accessed 12 February 2025.

¹⁰¹ BlackRock Internal Document, Annex 0858, [<], page 13.

index. As investible indices rely on the transparency and liquidity of the underlying assets, investible indices have not yet become a feature of private markets investment.

84. However, BlackRock and others have signalled a growing interest in creating PMIs and related investment products. As noted at paragraph 12, BlackRock's public statements suggest that a [X] rationale for the Merger was to enable BlackRock to develop PMI based on Preqin data.¹⁰²

5.1.4 Parameters of competition

85. With regard to private markets DBR, GP responses indicate that data coverage, quality of data and cost are some of the most important factors customers consider when choosing a supplier. All GPs responding to the CMA's market testing rated data coverage and quality of data as 'very important' in their choice of supplier, whilst most GPs rated cost as 'very important', other factors such as data sources and platform features were rated as 'important'.¹⁰³
86. Similarly, DBR competitor responses indicated data coverage and quality of data were key parameters of competition in the supply of private markets DBR:
- (a) Nearly all DBR competitors rated data coverage and quality of data as a 'very important' factor on which they compete.¹⁰⁴
 - (b) Other parameters such as data sources ie the ability to obtain data from multiple sources, cost and platform features were rated 'very important' or 'important' by DBR competitors.¹⁰⁵
87. With regard to private markets asset management, the Parties submit that the factors LPs consider when investing capital into private markets are:¹⁰⁶
- (a) Return on investment: expected profitability of investing with a given asset manager is a key consideration for customers.
 - (b) Risk profile: some investments may offer the possibility of high returns but may also be higher risk.
 - (c) Quality of service and previous experience with a given GP.

¹⁰² Reuters, [BlackRock's private market ETF ambitions draw scepticism](#) (1 July 2024), last accessed 12 February 2025.

¹⁰³ Responses to the CMA DBR customer questionnaire from third parties, December 2024, question 4.

¹⁰⁴ Responses to the CMA DBR competitor questionnaire from a third party, December 2024, question 4.

¹⁰⁵ Responses to the CMA DBR competitor questionnaire from a third party, December 2024, question 4.

¹⁰⁶ Parties' response to the CMA's section 109 Notice, 7 January 2025, question 10.

88. GPs may use internal expertise, previous experience and various data sources, including DBR to inform their investment decisions and, in turn, deliver greater returns or provide a better quality service to their LP clients.

5.2 Market definition

89. Where the CMA makes an SLC finding, this must be ‘within any market or markets in the United Kingdom for goods or services’. An SLC can affect the whole or part of a market or markets. Within that context, the assessment of the relevant market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.¹⁰⁷
90. Market definition involves identifying the most significant competitive alternatives available to customers of the merger parties and includes the sources of competition to the merger parties that are the immediate determinants of the effects of the merger.
91. While market definition can be an important part of the overall merger assessment process, the CMA’s experience is that in most mergers, the evidence gathered as part of the competitive assessment, which will assess the potentially significant constraints on the merger parties’ behaviour, captures the competitive dynamics more fully than formal market definition.¹⁰⁸

5.2.1 Product market

92. In cases involving differentiated products, there is often no ‘bright line’ that can or should be drawn. Rather, it can be more helpful to describe the constraint posed by different categories of products or suppliers as sitting on a continuum between ‘strong’ and ‘weak’. Accordingly, the CMA will generally not come to finely balanced judgements on what is ‘inside’ or ‘outside’ the market. In addition, not every firm ‘in’ a market will be equal, and the CMA will assess how closely the transacting parties compete, and the constraint posed by firms ‘outside’ the market will also be carefully considered.¹⁰⁹

5.2.1.1 Private markets DBR

93. The Parties submit that private markets DBR constitutes the appropriate product market for the CMA’s assessment without further segmentation.¹¹⁰ In particular:

¹⁰⁷ [CMA129](#), paragraph 9.1.

¹⁰⁸ [CMA129](#), paragraph 9.2.

¹⁰⁹ [CMA129](#), paragraph 9.4.

¹¹⁰ FMN, paragraph 85 and 86.

- (a) Private markets benchmarking can sometimes be substituted with public markets benchmarks, as both sets of benchmarks allow clients to assess the relative performance of their assets against an industry-wide reference point.
 - (b) The relevant product market should include in-house supply of private markets DBR, since many investment firms choose to carry out their own research across public channels.
 - (c) Private markets DBR (ie datasets, benchmarks and research reports) are often procured together.
94. Preqin separately submits that it does not consider that ‘self-supply’ or ‘in-house’ private markets DBR has a material impact on its total addressable market or prospects for growth. Preqin considered that, given the opaque nature of private markets, a significant majority of GPs, LPs and Service Providers, procure private markets DBR externally (as well as potentially using in-house research).¹¹¹
95. The CMA has not received any evidence to suggest that the product market should include ‘self-supply’ or ‘in-house’ private markets DBR. Third party DBR customer responses suggest there is a reliance on private markets DBR providers and customers do not seem to consider in-house DBR to be a substitute for outsourced DBR. For example, no GP DBR customers that submitted evidence to the CMA stated they would switch to self-supply in response to a marginal or significant rise in the price of Preqin DBR.¹¹²
96. The CMA considers that private markets DBR constitutes the appropriate product market at its widest. The CMA considers that it may be appropriate to segment the market further as:
- (a) Demand-side evidence from DBR customers (see paragraph 130 below) suggests that (i) there are a number of different use cases for private markets DBR; and (ii) for each use case the data needs (in terms of facts such as asset class(es) covered, breadth of funds covered, granularity, history etc) differ. This means that, while some DBR products are substitutes, others are not. This is reflected in DBR customers often using multiple private markets DBR products and seeing them as complements rather than substitutes.
 - (b) Supply-side evidence from suppliers of private markets DBR (see paragraph 138 below) shows that the offerings of private markets DBR can differ materially in terms of the DBR products they supply, the distribution rights of their data, the asset classes covered, and the time period for which data is available.

¹¹¹ FMN, paragraph 13.16, footnotes 98 and 99.

¹¹² Response to the CMA follow up questionnaire from third parties, January 2025.

97. However, the CMA does not consider it necessary to conclude on whether these segments constitute separate economic markets and is instead considering any differentiation between DBR providers as part of the competitive assessment.
98. On this basis, the CMA's assessment is based on private markets DBR (excluding self-supply) without further segmentation.

5.2.1.2 *Asset management*

99. The Parties note that the CMA and the EC have previously considered a product market comprising of asset management services.¹¹³
100. While there are several significant distinctions between how customers access and use asset management services and differences in the nature of the services provided across public and private markets (see paragraph 62 - 63 above), the CMA recognises that there may be increasing convergence between these on both the supply and demand sides as GPs, such as BlackRock, look to offer clients a 'whole of portfolio' service.
101. However, given that Preqin's DBR is only used in private markets, the CMA has focussed its assessment on the impact of the Merger on competition in the direct downstream segment of private markets asset management. In any event, the CMA considers that the competitive analysis and conclusion set out below would be broadly the same under a product market which includes both public and private markets, or a narrower product market.

5.2.1.3 *Private markets investible indices*

102. The Parties did not make any submissions with regard to the appropriate product market to assess PMII. The Parties submit that the market for PMII is a highly nascent segment both in the UK and globally, with no single defined roadmap for its creation.¹¹⁴ This was confirmed by several third parties¹¹⁵ while others queried whether it would be possible to develop PMII successfully in the current private markets landscape.¹¹⁶
103. There are currently a number of PMIIs available in certain jurisdictions covering a range of asset classes. The CMA has considered whether existing PMII that are based on publicly available data and relate to very specific assets, such as Cliffwater's Direct Lending Index which seeks to measure the performance of certain US middle market corporate loans based on filings with the US Securities

¹¹³ FMN, paragraph 102. ME/6686/17 Standard Life plc / Aberdeen Asset Management PLC. Case M.8257 - NN Group/Delta Lloyd, paragraph 108; Case M.11111 - UBS/Credit Suisse, paragraph 16, Case M.8837 - Blackstone/Thomson Reuters F&R Business, paragraph 35.

¹¹⁴ Parties' response to CMA Request for Information dated 19 November 2024, paragraph 1.2.

¹¹⁵ Responses to the CMA questionnaire from a third party.

¹¹⁶ Responses to the CMA questionnaire from a third party.

and Exchange Commission¹¹⁷ constitute a separate market from the PMII that BlackRock is developing.

104. However, it has not been necessary for the CMA to reach a conclusion on this product market as, for the reasons explained in the competitive assessment, the Merger does not give rise to a realistic prospect of an SLC whether these PIIIs are considered as part of the same or separate markets.

5.2.2 Geographic market

5.2.2.1 Private markets DBR and Private markets asset management

105. The Parties submit that the relevant geographic market for private markets DBR and private markets asset management is global. In the Parties' view, conditions for competition in these segments do not differ significantly between the UK and other developed countries in which the Parties are active.¹¹⁸

106. Overall, evidence collected by the CMA from GP DBR customers and DBR competitors indicated competition in private markets DBR and asset management takes place globally.¹¹⁹

107. The CMA has therefore assessed the impact of this Merger on the supply of private markets DBR and private markets asset management globally.

5.2.2.2 Private markets investible indices

108. The Parties did not make any submissions with regard to the appropriate geographic market for PMII.

109. Some third party evidence indicated that regulatory considerations may be relevant to the launch of a PMII in a specific national or in an EU-wide market, as the launch an investible index for private markets would be subject to compliance with financial regulations in that jurisdiction.¹²⁰

110. However, it has not been necessary for the CMA to reach a conclusion on the geographic market for PMII as, for the reasons explained in the competitive assessment, the Merger does not give rise to a realistic prospect of an SLC.

¹¹⁷ FMN, paragraph 18.42.1.

¹¹⁸ FMN, paragraph 12.2.

¹¹⁹ Response to the CMA DBR competitor questionnaire from third parties, December 2024, question 11 and Response to the CMA DBR customer questionnaire from a third parties December 2024, question 7.

¹²⁰ Response to the CMA ETF competitor questionnaire from third parties, December 2024, question 5(c).

5.3 Theories of harm

111. The CMA assesses the potential competitive effects of mergers by reference to theories of harm. Theories of harm provide a framework for assessing the effects of a merger and whether or not it could lead to an SLC relative to the counterfactual.¹²¹
112. In its investigation of this Merger, the CMA has considered the following theories of harm:
- (a) input foreclosure (asset management): foreclosing Blackrock's competitors in the supply of private markets asset management from accessing Preqin private markets DBR; and
 - (b) input foreclosure (PMII): foreclosing Blackrock's competitors in the supply of PMII from accessing Preqin's private markets DBR.
113. These theories of harm are considered below.¹²²

5.3.1 Theory of Harm 1: Input foreclosure in the supply of private markets asset management

114. The concern with an input foreclosure theory of harm is that the merged entity may use its control of an important input to harm its downstream rivals' competitiveness, for example by refusing to supply the input (total foreclosure) or by increasing the price or worsening the quality of the input supplied to them (partial foreclosure). This might then harm overall competition in the downstream market, to the detriment of customers. This may occur irrespective of whether the parties to a merger have a pre-existing commercial relationship.
115. In this case, the CMA assessed whether it is or may be the case that the Merger may be expected to result in an SLC as a result of foreclosure of rival GPs, from access to Preqin's DBR.
116. In assessing this concern, the CMA considers whether the following three cumulative conditions are satisfied:
- (a) would the merged entity have the ability to use its control of inputs to harm the competitiveness of its downstream rivals?
 - (b) would it have the incentive to actually do so, ie would it be profitable?

¹²¹ [CMA129](#), paragraph 2.11.

¹²² On the basis of the evidence gathered by the CMA, the CMA considered at an early stage in its investigation that there are no plausible competition concerns in respect of (i) horizontal unilateral effects in the supply of PMMDS, (ii) a number of non-horizontal theories of harm relating to the Parties' activities in adjacent markets, and therefore these are not discussed further in this Decision.

- (c) would the foreclosure of these rivals substantially lessen overall competition?¹²³

5.3.1.1 *Ability*

117. To assess the Merged Entity's ability to harm private market GPs who compete with BlackRock in private markets asset management, the CMA has considered evidence from the Parties and from third-party competitors and customers. In particular, the CMA has considered:
- (a) the role of DBR in private markets asset management;
 - (b) Preqin's market power in the supply of private markets DBR for private markets asset management; and
 - (c) the Merged Entity's ability to foreclose downstream rivals through restricted access to Preqin's DBR.

5.3.1.1.1 *The role of DBR in private markets asset management*

118. The CMA considered evidence from the Parties' submissions, Preqin's internal documents, and third-parties to understand the role of private markets DBR in private markets asset management and thus if it plays an important role in shaping downstream competition.¹²⁴

5.3.1.1.1.1 *Parties' submission*

119. The Parties submitted that different customer groups use Preqin's DBR for specific use cases, which for GPs (including BlackRock's asset management division¹²⁵) include: (i) identifying new investors and researching their goals, mandates and preferences; (ii) developing fund strategies and marketing those strategies; (iii) researching comparable performance of other funds; (iv) researching market trends and movements in asset value to identify investment opportunities; and (v) researching exit strategies.¹²⁶
120. In response to the CMA's Issues Letter, the Parties submitted that private markets asset management involves two stages: (i) fundraising (eg developing the fund strategy and finding suitable investors for the fund); and (ii) capital deployment and exits (eg identifying and executing investment opportunities and later selling those investments to deliver a financial return).¹²⁷ Within these two stages, the Parties

¹²³ [CMA129](#), paragraph 7.9–7.10.

¹²⁴ [CMA129](#), paragraph 7.14(b).

¹²⁵ FMN, footnote 32.

¹²⁶ FMN, paragraph 54(b).

¹²⁷ Parties' response to the Issues Letter, 24 January 2025, paragraph 45.

submitted that private markets DBR is used in small elements of wider and complex processes.¹²⁸

121. The Parties submitted that for fundraising (which appears to incorporate uses cases (i) to (iii) from paragraph 119), DBR is a helpful and convenient tool for GPs amongst a wide range of other resources and sources of information used during this process.¹²⁹ In particular, the Parties submitted that GPs may use DBR in the preliminary stages of fundraising (for example, to supplement market research or for benchmarking purposes), but that these data points are not significant and do not represent an important input.¹³⁰
122. The Parties also explained that, in BlackRock's experience as a GP, DBR is not an important determinant of where clients invest because clients are highly sophisticated and selective institutional investors. The Parties submitted that the information needed and used to make investment decisions is materially richer and more nuanced than would be found on Preqin or any other DBR platform (and the process behind such decisions is lengthy and complex).¹³¹
123. The Parties submitted that in relation to investment capital deployment (which appears to incorporate uses cases (iv) and (v) from paragraph 119), investment opportunities typically come to GPs through connections that their investment teams and their wider organisations have across the industry and not through DBR.¹³² In addition, the Parties submitted that GPs undertake detailed and careful diligence research often over weeks or months before proceeding to a final decision and this evaluation process, largely using non-public information from the company concerned and support of industry experts/professional advisors, cannot be replaced by private markets DBR.¹³³

5.3.1.1.1.2 CMA's assessment

124. As discussed in the background section in paragraph 76, GPs have multiple use cases for private markets DBR. These use cases cover the lifecycle of private markets investment from fundraising to capital deployment and exit.
125. While private markets DBR is one of multiple inputs to the private markets investment process, this in and of itself does not mean private markets DBR is not an important input for private markets asset management.

¹²⁸ Parties' response to the Issues Letter, 24 January 2025, paragraph 54.

¹²⁹ Parties' response to the Issues Letter, 24 January 2025, paragraph 54.

¹³⁰ Parties' response to the Issues Letter, 24 January 2025, paragraph 46 to 48.

¹³¹ Parties' response to the Issues Letter, 24 January 2025, paragraph 49 and 50.

¹³² Parties' response to the Issues Letter, 24 January 2025, paragraph 51.

¹³³ Parties' response to the Issues Letter, 24 January 2025, paragraph 52.

126. As set out in more detail below, the evidence obtained by the CMA on the importance of private markets DBR in private markets asset management is mixed and limited.

5.3.1.1.1.2.1 *Preqin's internal documents*

127. Preqin's internal documents indicate that private markets DBR can be used by GPs for various use cases, and estimate that GP spend on DBR is highest for fundraising, market research and capital investment.¹³⁴

128. Preqin sales documents describe its offering to clients as helping them to 'stay one step ahead of the market'¹³⁵, and encourages them to contribute their performance data suggesting that '[redacted]'.¹³⁶ Similarly, a memorandum prepared in connection with the Merger describes Preqin's DBR services as a '[redacted]'.¹³⁷

129. However, other more internal facing Preqin documents suggest that private markets DBR may be more of a 'nice-to-have' and that the key to attracting GPs is to [redacted].¹³⁸

5.3.1.1.1.2.2 *Third-party views*

130. A limited number of GP customers responded to the CMA during market testing. The evidence from these customers suggested that data within private markets DBR is used by some as an important part of their workflow. For example, several GPs consistently identified certain types of private markets DBR data as important – with all identifying aggregated fund performance data and named fund performance data as important or very important.¹³⁹

131. However, the degree to which GPs value DBR over other sources of information appears to vary materially across the downstream market, such that it is unclear how important DBR is in shaping downstream competition – in particular, where particular data points within DBR products were identified as important by some

¹³⁴ Preqin Internal Document, Annex 0293 to the FMN, [redacted], slide 9.

¹³⁵ See, [Preqin Benchmarks](#), page 2, last accessed 12 February 2025.

¹³⁶ Preqin Internal Document, Annex 0892 to the FMN, [redacted], page 1.

¹³⁷ Preqin Internal Document, Annex 0805 to the FMN, [redacted], slide 14.

¹³⁸ For example, Preqin Internal Document, Annex 0484 to the FMN, [redacted], pages 7 to 9; Preqin Internal Document, Annex 1119 to the FMN, [redacted], slides 5 and 6; Preqin Internal Document, Annex 0792 to the FMN, [redacted] pages 37, 42, 43 128, 129. Another internal strategy document identifies that Preqin is seeking to [redacted]; Preqin Internal Document, Annex 0570 to the FMN, [redacted], slide 46.

¹³⁹ Response to the CMA DBR customer questionnaire from third parties, December 2024, question 5 and 9. Several DBR competitors also identified important uses cases for DBR. Response to the CMA DBR competitor questionnaire from a third party, December 2024, question 8. This also seems consistent industry insight and new articles view by the CMA – for example, an article by Holland Mountain explains the importance of private markets data at every stage of the investment process, noting that data gives GPs an understanding of where to invest and supports decision making such as when to sell stakes in companies, enabling firms to stay ahead of competitors. See, [The importance of data for Private Capital firms - Holland Mountain](#), last accessed 12 February 2025.

respondents, there were also respondents who indicated that those data points were not important as they are available from other sources.¹⁴⁰

132. Evidence from Preqin's internal documents supports this. In particular, one internal document sets out how Preqin supplies [redacted]% of the 5,000 firms annually raising capital, and among smaller firms it has [redacted] suggesting that [redacted].¹⁴¹

5.3.1.1.2 *Preqin's market power in the supply of private markets DBR*

133. The CMA considered a range of evidence to understand the current structure of the supply of private markets DBR, and therefore, Preqin's position in the market.¹⁴² In assessing Preqin's market power the CMA considered: (i) the Parties' submissions; (ii) shares of supply; (iii) Preqin's internal documents; (iv) third-Party views; and (v) other market features.

5.3.1.1.2.1 *Parties' submission*

134. The Parties submitted that Preqin does not have market power in the supply of private markets DBR because:
- (a) Preqin is constrained by strong alternative providers of private markets DBR such as Pitchbook (owned by Morningstar), Burgiss (owned by MSCI), Bloomberg, S&P, With Intelligence, Dakota, FactSet and CB Insights;
 - (b) Preqin experiences [redacted] and customer feedback suggests it does not have market power; and
 - (c) Preqin does not have [redacted] evidenced by its [redacted].¹⁴³
135. In response to the CMA's Issues Letter the Parties also submitted that barriers to entry are low and decreasing. The Parties submitted that:
- (a) Preqin does not enjoy any ownership rights in the data it collects and that [redacted]. It further explained that Preqin's relationships with GPs and LPs are not exclusive, nor are the rights it obtains to use such data in DBR.¹⁴⁴
 - (b) Only one of the [redacted] documents evidencing network effects cited in the CMA's Issues Letter identifies network effects as a barrier to entry - this was a marketing document created in the context of selling Preqin and should be interpreted as such.¹⁴⁵

¹⁴⁰ Response to the CMA DBR customer questionnaire from third parties, December 2024, question 5.

¹⁴¹ Preqin Internal Document, Annex 0061 to the FMN, [redacted], slide 18.

¹⁴² [CMA129](#), paragraph 7.14(a).

¹⁴³ Parties' response to the Issues Letter, 24 January 2025, paragraph 51-52.

¹⁴⁴ Parties' response to the Issues Letter, 24 January 2025, paragraph 99.

¹⁴⁵ Parties' response to the Issues Letter, 24 January 2025, paragraph 104.

- (c) Historic datasets are not a barrier to entry. The Parties explained that there is no reason to believe that once firms put together historic data for voluntary contribution for one DBR provider, there is any more than marginal effort required to provide the same data to another DBR provider - therefore new entrants could easily gather these contributions (or re-utilise contributions prepared historically). Furthermore, while historical data can be helpful to understand performance track records in general, more recent track record data is more relevant to most customer use cases of DBR.¹⁴⁶

5.3.1.1.2.2 *Shares of supply*

136. Measures of concentration such as shares of supply can be useful evidence when assessing the competitive constraints on the merger firms (and as such the range of effective alternative suppliers), particularly when there is persuasive evidence as to which potential substitutes should be included or excluded in the market, and when, although differentiated, the degree of differentiation between firms is more limited.¹⁴⁷
137. In other cases, such as where the boundaries of the market are not as clear-cut, where reliable estimates of shares of supply are not readily available, or where there is a high degree of differentiation, other sources of evidence on the competitive constraints on the merger firms may be relied on to a greater extent.¹⁴⁸
138. In this case, third-party evidence from both DBR competitors and GP DBR customers suggests that private markets DBR is characterised by a material degree of differentiation as discussed above at paragraph 96.¹⁴⁹
139. This differentiation can also be observed in the behaviour of DBR customers who – as noted by the Parties¹⁵⁰ – appear to use multiple suppliers of private markets DBR. Evidence from DBR competitors and DBR GP customers suggests there are multiple reasons for this, such as some suppliers of private markets DBR providing complimentary offerings rather than being seen as substitutes for all use cases, and customers wanting to obtain as much data as is available to ensure broad coverage.¹⁵¹ This evidence suggests that whilst there may be multiple

¹⁴⁶ Parties' response to the Issues Letter, 24 January 2025, paragraph 107.

¹⁴⁷ [CMA129](#), paragraph 4.14.

¹⁴⁸ [CMA129](#), paragraph 4.15.

¹⁴⁹ Response to the CMA DBR competitor questionnaire from third parties, December 2024, question 3. Response to the CMA DBR customer questionnaire from a third party, December 2024, question 10. Response to the CMA DBR customer questionnaire from third parties, December 2024, question 12. Response to the CMA DBR customer questionnaire from a third party, December 2024, questions 8 and 9.

¹⁵⁰ FMN, paragraph 11.

¹⁵¹ Response to the CMA DBR customer questionnaire from third parties, December 2024, questions 8, 9, 10 and 12. For example, one customer stated it uses the DBR product of Cambridge Associates to benchmark against the market but uses the DBR product of Preqin for customised peer analysis because Cambridge Associates does not have the data to enable customised peer analysis: Response to the CMA DBR customer questionnaire from a third party, December 2024, question 10. Another DBR GP customer outlined the different use cases it has for DBR products and the different suppliers it uses for each use case: Response to the CMA DBR customer questionnaire from a third party, December 2024, question 9. Response to the CMA DBR competitor questionnaire from third parties, December 2024, questions 12

suppliers of private markets DBR, the exact use cases covered by each supplier may differ.

140. The Parties submitted that the CMA has overstated the degree of differentiation between DBR products and that the level of differentiation of Preqin and other DBR products is in reality, relatively modest.¹⁵² The CMA recognises that the assessment below shows that the degree of differentiation from Preqin may vary considerably by supplier.
141. Given this, while shares of supply may be a useful starting point, the CMA considers that they only provide a partial indication of a suppliers' competitive strength and positioning when considering specific DBR use cases. In particular, it is important to consider shares of supply alongside other evidence.
142. In this regard, the Parties submitted that, based on its estimates, Preqin has a low share of supply in private markets DBR in the UK and globally by revenue and volume of users – less than [10-20]% across all measures.¹⁵³
143. In addition to the limited probative value of this share estimate in a differentiated market, the CMA notes that:
 - (a) The Parties' share estimate is based on Preqin's share among all DBR customers, rather than for GPs specifically. As such, for the purposes of determining whether Preqin has market power with respect to GP customers, the CMA does not consider this estimate is likely to be a meaningful consideration; and
 - (b) The methodology used to derive these share estimates is based on a series of assumptions. The Parties did not provide estimates of share of supply for its competitors and were not able to verify their calculations with third-party reports or sources.¹⁵⁴

¹⁵² Parties' response to the Issues Letter, 24 January 2025, paragraph 93-94.

¹⁵³ The Parties estimated these shares based on three measures. First, Preqin was estimated to hold a [10-20]% ([5-10]% including self-supply) share of DBR revenues in 2023 on both a UK and global basis. Second, Preqin was estimated to hold a [10-20]% ([5-10]% including self-supply) share of users at UK firms procuring DBR and users at all firms globally procuring DBR. Third, Preqin was estimated to hold a [10-20]% ([0-5] % including self-supply) share of UK-based users at UK firms procuring DBR. FMN, Tables 4 and 5.

¹⁵⁴ These assumptions were used to arrive at a UK DBR segment size of £[><] million, a UK DBR segment size of [><] users at UK firms purchasing private markets DBR, and a UK DBR segment size of [><]UK based users at UK firms purchasing private markets DBR. In estimating UK DBR segment size by revenue and number of users the Parties relied on internal data from Preqin to estimate the total number of UK firms that have demand for private markets DBR (based on the number of firms curated by the Preqin sales team). The Parties made assumptions on the frequency of DBR purchases by the firms it identified and how many suppliers each firm purchases DBR from. Based on customer spend with Preqin, the Parties estimated the average spend of each customer, and used its customer data to estimate the average number of users of DBR per firm purchasing DBR.

5.3.1.1.2.3 *Preqin's Internal documents*

144. Evidence from Preqin's external facing documents and updates to its board suggest it is a leading supplier of private markets DBR, specifically for GP's fundraising and investor relations use cases. However, whilst these Preqin documents suggest Preqin has a leading position upstream, other internal facing documents suggest that Preqin faces competitive pressures from alternative suppliers of DBR.
145. Whilst some Preqin documents suggest it considers itself to hold a strong position in private markets DBR,¹⁵⁵ other internal documents, including documents used for business planning and documents presented to the board, suggest that Preqin faces and is reacting to increasing competition from Pitchbook and other alternative suppliers active in relation to GP use cases discussed in paragraph 76. For example, internal documents identified [X] as the leading tool for [X] and noted that Preqin [X].¹⁵⁶
146. In addition to Pitchbook, strengths of and constraints from other DBR suppliers are also evident in Preqin's internal documents. For example, various internal documents point to increasing competition from other suppliers such as Dakota, eVestment, With Intelligence and others.¹⁵⁷
147. Preqin documents [X] show that it has lost customers to Pitchbook and other competitors. A document summarising [customer feedback suggests that some customers] consider Preqin's competitors to be effective alternatives for some uses cases.¹⁵⁸
148. In response to the CMA's Issues Letter, the Parties submitted that Preqin's 2024 brand survey found that most customers procuring Preqin's product consider that other providers of private markets DBR had [X].¹⁵⁹
149. However, the CMA notes that a comparable survey from 2023 found [X].¹⁶⁰ While this may be explained by competitors having improved their comparable offering

¹⁵⁵ Preqin Internal Document, Annex 2279 to the FMN, [X]. Preqin Internal Document, Annex 0916 to the FMN, [X]. Similarly a document prepared in consideration of the Merger describes Preqin as [X]. Preqin Internal Document, Annex 0805 to the FMN, [X], slide 9 and 34; Preqin Internal Document, Annex 0076 to the FMN, [X]; Preqin Internal Document, Annex 1071 to the FMN, [X], Slide 5 ; Preqin Internal Document, Annex 1145 to the FMN, [X], slide 4. Similarly, a Preqin GP business unit document outlines that Preqin's offering is [X]. Preqin Internal Document, Annex 0751 to the FMN, [X], slide 2.

¹⁵⁶ Preqin Internal Document, Annex 0229 to the FMN, [X], slide 26; Preqin Internal Document, Annex 0479 to the FMN, [X], slide 9.

¹⁵⁷ Preqin Internal Document, Annex 1308 to the FMN, [X]; Preqin Internal Document, Annex 0424 to the FMN, [X]; Preqin Internal Document, Annex 0520 to the FMN, [X].

¹⁵⁸The CMA notes detail wasn't provided for every loss, furthermore, customers lost included GPs, LPs and service providers. However, for some losses where the customer could be identified as a GP and detail was provided – the CMA found statements such as: [X]. Preqin Internal Document, Annex 1312 to the FMN, [X], page 21.

¹⁵⁹ Parties' response to the Issues Letter, 24 January 2025, paragraph 74-77.

¹⁶⁰ Preqin's 2023 Brand Survey found that [X]: (i) [X]% of Preqin customers disagreed or strongly disagreed with the statement that 'Preqin's benchmarks, are more granular and accurate than those of its competitors'; (ii) [X]% of Preqin

between the surveys, the Parties did not make any submissions to explain the material divergence in results and as such, the CMA has placed only limited weight on this evidence

5.3.1.1.2.4 *Third-party views*

150. Third-party views suggest that while Preqin is consistently considered a strong supplier of private markets DBR, there are also other alternative DBR suppliers which third-parties indicated had strong offerings – and which in some instances third parties considered to be superior to Preqin for some use cases. Of the alternative suppliers identified, Pitchbook was viewed as Preqin’s closest competitor, with other suppliers considered competitors to Preqin for specific use cases. This is discussed further below.
151. All DBR GP customers indicated that Preqin is a leading provider of private markets DBR either overall, or for at least some use cases (such as fund performance benchmarking).¹⁶¹
152. Most DBR GP customers responding to the CMA’s market testing submitted that they purchased DBR products from Preqin and other suppliers such as MSCI Burgiss, Cambridge Associates, eVestment, Broadridge, Refinitiv, LSEG, S&P, Inframation, Infrastructure Investor and Cliffwater.¹⁶² Some GPs indicated that suppliers such as Pitchbook,¹⁶³ MSCI Burgiss and PEI/PD were strong suppliers.¹⁶⁴ One GP customer suggested that for some use cases, Preqin was not the favoured supplier. For example, it noted that whilst Preqin was generally used for fund level analysis, Pitchbook was generally more favoured for deal level analysis.¹⁶⁵
153. DBR competitors similarly considered Preqin to be a ‘very strong’ or ‘strong’ DBR supplier.¹⁶⁶ However, DBR competitors also identified multiple suppliers they felt were also ‘very strong’ or ‘strong’ for specific use cases.¹⁶⁷

customers disagreed or strongly disagreed with the statement that ‘Preqin’s data coverage is more comprehensive than those of its competitors’; (iii) [redacted] % of Preqin customers disagreed or strongly disagreed with the statement that ‘Preqin’s data quality is more superior’. Preqin Internal Document, Annex 1014 to the FMN, [redacted], page 21.

¹⁶¹ Response to the CMA DBR customer questionnaire from third parties, December 2024. Response to the CMA Public Markets Portfolio Monitoring competitor questionnaire from a third party, December 2024, question 6.

¹⁶² Analysis of Response to the CMA DBR customer questionnaire from third parties, December 2024, question 9.

¹⁶³ Response to the CMA DBR customer questionnaire from third parties, December 2024. Response to the CMA Exchange Traded Funds competitor questionnaire from a third party, December 2024, question 4.

¹⁶⁴ Response to the CMA Exchange Traded Funds competitor questionnaire from a third party, December 2024, question 4.

¹⁶⁵ Response to the CMA DBR customer questionnaire from a third party, question 11, December 2024.

¹⁶⁶ Response to the CMA DBR competitor questionnaire from third parties, December 2024, question 9.

¹⁶⁷ For example, MSCI Burgiss and Cambridge Associates were rated ‘very strong’ or ‘strong’ for their benchmarks, Pitchbook was rated ‘strong’ for its broad offering in funds and ESG data, and Refinitiv was rated ‘strong’ for its private markets transaction data. Other suppliers such as CB Insights, StepStone and Albourne were also rated as ‘very strong’ or ‘strong’ suppliers of private markets DBR by competitors. Response to the CMA DBR competitor questionnaire from third parties, December 2024, question 9.

154. Among the other alternative suppliers of DBR, Pitchbook was consistently mentioned as the most similar to Preqin and its closest competitor by DBR GP customers and DBR competitors.¹⁶⁸

5.3.1.1.2.5 *Other market features*

155. In considering Preqin's market power, the CMA also considered if there were market features that may limit the constraint from upstream rivals.¹⁶⁹ The CMA first considered if there may be network effects in the supply of DBR and then considered other market features that may result in barriers to entry and expansion.

156. The CMA considered that network effects may exist between LPs and GPs. Network effects occur when the value of a service to its users increases as the total number of users increases. The CMA assessed whether Preqin may benefit from cross side network effects between LPs and GPs, in that the more LPs that use Preqin, the more GPs contribute data, and the more GPs that contribute data the more LPs want to use Preqin. The existence of network effects was supported by various internal documents¹⁷⁰

157. However, the CMA found that whilst network effects may exist between LPs and GPs, a Preqin internal document also [redacted]. This is consistent with evidence that competitors within the market are expanding and reducing any advantages that Preqin has (see paragraph 146).

158. Some DBR competitors suggested the ability to gather historic datasets, the ability to access high quality data and the time taken to commercialise datasets all act as potential barriers to entry and expansion.¹⁷¹ The CMA has seen evidence, as discussed in paragraph 146, that suggests competitors within the market are expanding – this suggests that any barriers are not insurmountable for existing market participants, although they may be more significant for new entrants.

5.3.1.1.3 *Ability to foreclose downstream rivals through restricting access to Preqin's DBR*

159. The CMA may consider if the merged entity could engage in total foreclosure (eg by refusing to supply the input in some way) or partial foreclosure (eg by increasing the price or worsening the quality of the input supplied) mechanisms.¹⁷²

¹⁶⁸ Preqin also considers Pitchbook to be Preqin's closest competing supplier of private markets DBR; FMN, footnote 99. Response to the CMA DBR competitor questionnaire from third parties, December 2024, question 10. Response to the CMA DBR customer questionnaire from third parties, December 2024, question 10 and 11.

¹⁶⁹ [CMA129](#), paragraph 7.14(a).

¹⁷⁰ Preqin Internal Document, Annex 0434 to the FMN, [redacted], slide 16. Preqin Internal Document, Annex 0635 to the FMN, [redacted], page 2. Preqin Internal Document, Annex 1816 to the FMN, [redacted], slide 15. Preqin Internal Document, Annex 0581 to the FMN, [redacted], slide 2. Preqin Internal Document, Annex 0704 to the FMN, [redacted], page 4.

¹⁷¹ Responses to the CMA DBR competitor questionnaire from third parties, December 2024, question 13.

¹⁷² [CMA129](#), paragraph 7.9.

In doing this, the CMA may consider a wide range of mechanisms through which the merged entity could potentially harm its rivals when supplying inputs. The CMA's focus is on understanding if collectively these mechanisms would allow the merged entity to foreclose its rivals, not on predicting the precise actions it would take.¹⁷³

160. The CMA's assessment of the Merger Entity's ability to foreclose its rivals is unlikely to place material weight on contractual protections as, in practice, such contracts may not completely remove a firm's ability to harm its rivals or may be renegotiated or terminated.¹⁷⁴

161. In this case, the CMA has considered: (i) if there are any plausible foreclosure mechanisms and what impact they would have on the competitiveness of downstream rivals; and (ii) whether these customers would have the ability to circumvent the impact of any foreclosure strategies to prevent harm to downstream competition.

5.3.1.1.3.1 *Parties' submissions*

162. The Parties submitted that:

- (a) Hypothetical foreclosure strategies would not lead to lower returns on investment for rivals, as Preqin DBR is not widely used to inform capital deployment decisions on assets or the management of those assets whilst in GP ownership which determine downstream rivals' returns on investment.¹⁷⁵
- (b) The Aladdin business, where Preqin will reside post-Merger, is operationally separate from BlackRock's asset management business. There are strict information barriers in place to prevent the asset management business having access to data collected through Aladdin and eFront and these will apply to Preqin as well. These protections are market-mandated and critical to the survival of Aladdin, as well as the reputation of BlackRock as a whole.¹⁷⁶
- (c) GPs would be able to promptly detect and retaliate¹⁷⁷ swiftly to any degraded service and ultimately stop using Preqin DBR as it is not an important input for the provision of private markets asset management.¹⁷⁸
- (d) Regarding barriers to entry resulting from GPs' voluntary contributions, in the face of a foreclosure strategy (even if GPs did not retaliate by withdrawing

¹⁷³ [CMA129](#), paragraph 7.13.

¹⁷⁴ [CMA129](#), paragraph 7.15.

¹⁷⁵ Parties' response to the Issues Letter, 24 January 2025, paragraph 111.

¹⁷⁶ Parties' response to the Issues Letter, 24 January 2025, paragraph 114.

¹⁷⁷ Eg by choosing to stop or degrade their voluntary contributions to Preqin while continuing to provide data to Preqin's DBR rivals rendering Preqin uncompetitive. Parties' response to the Issues Letter, 24 January 2025, paragraph 128.

¹⁷⁸ Parties' response to the Issues Letter, 24 January 2025, paragraph 114.

voluntary data contributions to Preqin DBR, which the Parties expect they would, as explained below), GPs would at least be heavily incentivised to provide the same data on an equivalent basis to another provider of DBR. There would be no impediment to GPs doing this, as data contributions are voluntary and non-exclusive¹⁷⁹

5.3.1.1.3.2 *Foreclosure mechanisms and their potential impact*

163. The CMA does not consider total foreclosure to be plausible in this case. This is because the most valuable data Preqin gathers is the non-public data that comes directly from GPs (and other market participants). As such Preqin is unlikely to totally foreclose GPs as it would risk leading to GPs refusing to provide data to Preqin, thus devaluing the Preqin product.
164. Rather, in this case, the CMA has considered partial foreclosure of rivals or self-preferencing of BlackRock's private markets asset management business. Specifically, the CMA considered whether the Merged Entity could adopt strategies (or a combination of strategies) that impact on GP's ability to compete on parameters of competition such as:
- (a) securing investment by identifying and marketing investment strategies to potential investors (the area where Preqin's DBR seems most likely to be used; and
 - (b) maximising investors' return on investment through developing informed and robust investment and exit strategies, including by benchmarking fund performance against comparators and market trends (where evidence shows Preqin's DBR is used even if it less so than in relation to activities at (a)).¹⁸⁰
165. As such, the CMA considered strategies that limit or otherwise degrade (for example, with regard to timeliness) downstream rivals' access to Preqin's DBR in a way which may impact on GP rivals' competitiveness by degrading the quality of their offering, or by hindering expansion or innovation.
166. Some GPs identified certain potential partial foreclosure strategies, such as raising prices, limiting access to data, or restricting usage of data, as plausible in response to the CMA's questions.¹⁸¹
167. However, other GPs suggested these strategies were not plausible. In particular, because engaging in such strategies would undermine Preqin and its reputation, would lead to GPs withholding their data from Preqin or GPs working with others

¹⁷⁹ Parties' response to the Issues Letter, 24 January 2025, paragraph 108.

¹⁸⁰ See paragraph 125 for the CMA current views on the importance of DBR for these activities. The CMA has previously found that asset managers 'compete primarily on value (delivering return net of cost), client service, performance, product range and shelf space': Standard Life plc/Aberdeen Asset Management PLC (2017).

¹⁸¹ Responses to the CMA follow-up questionnaire from third parties, January 2025.

to improve their offering.¹⁸² In addition, it was recognised that in some cases the strategy was not plausible due to the nature of the product (eg private markets DBR is already provided with a significant delay).¹⁸³

168. Moreover, it is not clear what impact some of these strategies would have on downstream competition, and evidence from third parties was mixed on this point. While some GPs stated that depending on the foreclosure mechanism, there could be a moderate or significant impact on their competitiveness,¹⁸⁴ most GPs stated that in a foreclosure scenario they would instead place greater reliance on alternative sources of data (despite Preqin's offering being considered superior to these suppliers) suggesting that their overall competitiveness would not be materially reduced.¹⁸⁵

5.3.1.1.4 Effectiveness of potential responses from customers to circumvent the impact of input foreclosure

169. The CMA considered whether there were any plausible responses available to downstream rivals to negate the impact of any foreclosure strategy. In terms of GP retaliation, this is likely to occur if rivals can detect any partial foreclosure strategies used and can react by withholding information from Preqin or otherwise favouring other suppliers of private markets DBR.
170. Having considered the potential foreclosure strategies available to the Parties, and input from third parties, the CMA considers that the greater the relative degradation of Preqin's offering for BlackRock's downstream GP rivals, the more likely it is to materially impact on competition downstream, but equally the greater the likelihood of detection.

5.3.1.1.5 Conclusion on Merged Entity's ability to foreclose

171. Based on the evidence set out above, the CMA does not consider that the Merged Entity would have the ability to foreclose rivals in the downstream market, such that their ability to compete effectively would be materially harmed.
172. While private markets DBR may be an important input for some GPs, GPs also indicated that they can obtain data from competing DBR suppliers and from other sources. Preqin faces competition from Pitchbook, and also from other DBR suppliers that have been becoming more significant in the market.
173. The evidence suggests a total foreclosure strategy is not plausible, and whilst partial foreclosure or self-preferencing strategies would likely be harder to detect, it

¹⁸² Responses to the CMA follow up questionnaire from third parties, January 2025.

¹⁸³ Responses to the CMA follow up questionnaire from a third party, January 2025.

¹⁸⁴ Responses to the CMA follow up questionnaire from third parties, January 2025.

¹⁸⁵ Responses to the CMA follow up questionnaire from third parties, January 2025.

is not clear the impact that some of these strategies would have on downstream competition, given GPs multi-source and have other sources of data available to them. Moreover, the CMA believes that GPs may be able to mitigate or prevent foreclosure by increasing/expanding the data that is voluntarily contributed to Preqin's DBR rivals.

5.3.1.2 *Incentive and Effect*

174. Given that the CMA has found that the Merged Entity would not have the ability to foreclose, the CMA has not needed to consider the Merged Entity's incentives to engage in such a foreclosure strategy or any effect on competition of that strategy.

5.3.2 **Conclusion on Theory of Harm 1**

175. For the reasons set out above, the CMA believes that the Merger does not give rise to a realistic prospect of an SLC as a result of input foreclosure in the supply of private markets DBR to private markets asset managers.

5.3.3 **Theory of harm 2: Input foreclosure in the development and supply of PMII**

176. The CMA assessed whether it is or may be the case that the Merger may be expected to result in an SLC as a result of input foreclosure in the downstream market for the development and supply of PMII. In particular, the CMA considered whether an SLC may arise from the loss of future competition by preventing the entry of potential third party PMII developers that may impose a material competitive constraint on the Merged Entity following its development and launch of PMII.

177. The CMA will generally take a forward-looking approach to the assessment of any theories of harm, considering the effects of the merger both now, and in the future.¹⁸⁶

178. As for Theory of Harm 1, the CMA considered three cumulative conditions,¹⁸⁷ namely whether the Merged Entity would have the (i) ability and (ii) incentive to foreclose potential PMII rivals and, if so, the (iii) effect of this strategy would be an SLC.

5.3.3.1 *Ability*

179. To assess the Merged Entity's ability to foreclose rivals in the downstream market for the development and supply of PMII, the CMA considered:

¹⁸⁶ [CMA129](#), paragraph 2.14.

¹⁸⁷ [CMA129](#), paragraphs 7.9–7.10.

- (a) the importance of DBR for the downstream development and supply of PMII, having regard to the importance of Preqin's DBR specifically for BlackRock's development of PMII; and
- (b) whether Preqin has a degree of market power or would be likely to have market power in the future in the supply of DBR for the downstream development and supply of PMII.

5.3.3.1.1 *Parties' submissions*

180. The Parties' submitted that the Merged Entity would not have the ability to foreclose rival developers or suppliers of PMII because:

- (a) [REDACTED];¹⁸⁸
- (b) Preqin's DBR, or any of its competitors' DBR is not a necessary input to PMII – the type of data required will depend on the focus of the PMII, as evidenced by the existence of PMIIs developed by Cliffwater that are created using public sources;¹⁸⁹
- (c) Preqin does not have market power, because:
 - (i) based on the Parties' estimates of a [10-20]% share of supply for private markets DBR, its hypothetical share as an input for PMII is most likely significantly less;¹⁹⁰
 - (ii) '[REDACTED]' of data used for Preqin's DBR is [REDACTED] – including deal data that may be 'of relatively greater interest to some types of PMII' which can be collected from many other sources including competitors' DBR offerings;¹⁹¹ and
- (d) Preqin does not currently supply data as an input for PMII so it will not have the ability to withhold an input following the Merger, nor is there evidence to suggest that absent the Merger 'Preqin DBR would be used by BlackRock's rivals as an input for the creation of PMII, as no one has sought to do so thus far'.¹⁹²

¹⁸⁸ FMN, paragraph 18.57.2.

¹⁸⁹ FMN, paragraphs 18.46 and 18.52.

¹⁹⁰ FMN, paragraph 18.51.

¹⁹¹ FMN, paragraph 18.50.

¹⁹² FMN, paragraphs 18.53 and 18.54.

5.3.3.1.2 *Importance of DBR in the development and supply of PMII*

5.3.3.1.2.1 *Possible segmentation of PMII*

181. There are several examples of existing PMII, some of which appear to rely only on publicly available information rather than DBR, as well as emerging PMII under development by BlackRock (and others) for which DBR may play a greater role. These include PMII from Cliffwater, Forge Global and Morningstar which are linked to products that provide customers with access to private market deals, while others are linked to products that replicate liquid strategies (in addition NewVest provides index funds that provide access to private market funds without being linked to indices).^{193, ii}
182. The CMA has considered whether these different types of PMII could be segmented, such that DBR may be an important input for some, but not all PMII.
183. On a cautious basis, the CMA assessed the Merged Entity's ability to engage in foreclosure on the narrowest plausible segment in which rivals' PMII resembles the likely characteristics of BlackRock's PMII. The CMA considers that such segmentation may be plausible because, notwithstanding the Parties' awareness of existing PMII, [REDACTED], and [REDACTED], each separately referenced the Merged Entity being [REDACTED].¹⁹⁴ This assessment is echoed in BlackRock's internal documents, [REDACTED].¹⁹⁵
184. On a cautious basis, the CMA considers that these statements by the Parties suggest that BlackRock's product may be sufficiently distinct from existing PMII to constitute at least a separate segment of a hypothetical market for PMII, however, for the reasons set out below, the CMA has not needed to conclude on segmentation as it has found that the Merger does not give rise to a realistic prospect of an SLC in any event.

5.3.3.1.2.2 *Role of DBR in development of BlackRock's PMII*

185. The Parties submitted that there are many possible types of PMII, and by extension, many possible datasets or combinations of data could be used.
186. As noted in paragraph 12 above, in public announcements regarding the Merger, BlackRock's senior leaders identified Preqin's data as enabling or 'unlocking'

¹⁹³ [REDACTED].

¹⁹⁴ BlackRock Internal Document, Annex 1457 to the FMN, [REDACTED] and Preqin Internal Document, Annex 2456 to the FMN, [REDACTED].

¹⁹⁵ BlackRock Internal Document, Annex 0809 to the FMN, [REDACTED].

BlackRock's development of PMII. These public statements about BlackRock's intention to enter the PMII market as a result of the Merger were [REDACTED]^{196, 197}

187. The Parties' submissions regarding differentiation within PMII are consistent with the Parties' internal documents relating to BlackRock's current contemplation of possible PMII which suggest that the nature of PMII is inherently linked to the underlying data, for example:
- (a) in correspondence with Preqin staff, a leader of BlackRock's PMII development project team noted that BlackRock's interest in Preqin's product demonstrations is to understand [REDACTED];¹⁹⁸ and
 - (b) following the Preqin product demonstrations and other engagement between the Parties, [REDACTED].¹⁹⁹
188. Third parties that have considered the use of their data in the development of potentially competitive PMII also generally indicated that the nature and quality of PMII is determined by the underlying data. One potential PMII competitor noted that 'data requirements are subject to the type of index being created but most commonly would include fund or asset level data'.²⁰⁰ Another potential PMII competitor described the quality of underlying data as the key parameter of competition in the development and supply of PMII.²⁰¹
189. Based on this evidence, the CMA considers that DBR is an important input for the development of at least some PMII.

5.3.3.1.3 *Preqin's market power in the supply of DBR for the development and supply of PMII*

190. [REDACTED], evidence from potential downstream PMII competitors and upstream DBR competitors suggests that Preqin does not have market power in the supply of DBR for PMII. In particular:
- (a) one potential PMII competitor noted that while Preqin's access to data places it in a strong position for developing PMII, there are several other DBR providers including Pitchbook and MSCI/Burgiss that are also well-placed and other established index and benchmark providers are also capable of developing PMII;²⁰²

¹⁹⁶ BlackRock Internal Document, Annex 0865 to the FMN, [REDACTED].

¹⁹⁷ BlackRock Internal Document, Annex 0868 to the FMN, [REDACTED]; Preqin Internal Document, Annex 2352 to the FMN, [REDACTED].

¹⁹⁸ Preqin Internal Document, Annex 1763 to the FMN, [REDACTED].

¹⁹⁹ Preqin Internal Document, Annex 2345 to the FMN, [REDACTED].

²⁰⁰ Response to the CMA DBR competitor questionnaire from third parties, December 2024.

²⁰¹ Response to the CMA ETF competitor questionnaire from third parties, January 2025.

²⁰² Response to the CMA DBR competitor questionnaire from third parties, December 2024.

- (b) several potential PMII competitors or affiliates identified pipeline products that would compete with BlackRock's PMII using DBR from suppliers other than Preqin;²⁰³
- (c) several potential PMII competitors confirmed that it would be feasible to replicate a BlackRock PMII (based on Preqin DBR) because the relevant data is available from other sources and the nascency of the market means that there is no de-facto standard for the type of DBR used;²⁰⁴ and
- (d) one DBR competitor noted that it has engaged in discussions to licence its DBR for the purpose of developing and supplying PMII.²⁰⁵

191. Based on this evidence, the CMA believes that Preqin does not have market power in the supply of DBR for the development and supply of PMII and, as such, the Merged Entity would not have the ability to foreclose its downstream rivals.

5.3.3.2 *Incentive and Effect*

192. Given that the CMA has found that the Merged Entity would not have the ability to foreclose, the CMA has not considered the Merged Entity's incentives to engage in such a foreclosure strategy or any effect on competition of that strategy.

5.3.4 **Conclusion on Theory of Harm 2**

193. For the reasons set out above, the CMA believes that the Merger does not give rise to a realistic prospect of an SLC as a result of input foreclosure in the supply of PMII.

6. ENTRY AND EXPANSION

194. Entry, or expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. The CMA will consider entry and/or expansion plans of rivals who do so in direct response to the merger as a countervailing measure that could prevent an SLC. In assessing whether entry or expansion might prevent an SLC, the CMA considers whether such entry or expansion would be timely, likely and sufficient.²⁰⁶

195. As the CMA has concluded that the Merger does not give rise to competition concerns, it is not necessary to consider countervailing factors further in this decision.

²⁰³ Response to the CMA DBR competitor questionnaire from third parties, December 2024.

²⁰⁴ Response to the CMA DBR competitor questionnaire from third parties, December 2024; Response to the CMA ETF competitor questionnaire from third parties, January 2025.

²⁰⁵ Response to the CMA DBR competitor questionnaire from third parties, December 2024.

²⁰⁶ [CMA129](#), paragraph 8.31.

DECISION

196. Consequently, the CMA does not believe that it is or may be the case that the Merger may be expected to result in an SLC within a market or markets in the United Kingdom.
197. The Merger will therefore not be referred under section 33(1) of the Act.

Sorcha O'Carroll
Senior Director, Mergers
Competition and Markets Authority
12 February 2025

ⁱ 'BlackRock describes Aladdin as a [X], should be read as [X].

ⁱⁱ This sentence should be read as '*These include PMI-linked products from Cliffwater, Forge Global, NewVest and Morningstar which provide customers with access to private markets through either: deals, funds or replication via liquid strategies.*'