

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM127Oct19

In the matter between:

**Investec Asset Management SA Group Limited and
Investec Management Asset Management UK Group PLC**

Primary Acquiring Firm

And

**Investec Asset Management Holding (Pty) Ltd
and Investec Asset Management Limited**

Primary Target Firm

Panel	: E Daniels (Presiding Member)
	: Y Carrim (Tribunal Member)
	: A Ndoni (Tribunal Member)
Heard on	: 27 November 2019
Order issued on	: 27 November 2019
Reasons issued on	: 09 January 2020

REASONS FOR DECISION

Approval

- [1] On 27 November 2019, the Competition Tribunal ("Tribunal") approved the large merger between Investec Asset Management SA Group Limited and Investec Asset Management UK Group Plc and Investec Asset Management Holdings (Pty) Ltd and Investec Asset Management Limited.
- [2] The reasons for the unconditional approval follow.

PARTIES TO THE TRANSACTION

Primary Acquiring Firm

- [3] The primary acquiring firms are Investec Asset Management SA Group Limited ("IAM SA ListCo") and Invest Asset Management UK Group Plc ("IAM UK ListCo"). These companies are incorporated in accordance with the company laws of the Republic of South Africa ("South Africa") and the United Kingdom ("UK"), respectively.¹
- [4] IAM SA ListCo and IAM UK ListCo operate as one corporate group through a dual listed company (DLC) arrangement. Collectively, they are referred to as IAM DLC. IAM DLC does not have prior operations or business activities.

Primary Target Firm

- [5] The primary target firms are Investec Asset Management Holdings (Pty) Ltd ("IAM SA") and Investec Asset Management Limited ("IAM UK"). These companies are incorporated in accordance with the company laws of South Africa and UK, respectively.
- [6] IAM is active in the provision of active investment products and services to institutional and advisor clients. IAM investment offering includes equities, fixed income, multi asset management and alternatives strategies.

PROPOSED TRANSACTION

- [7] The proposed transaction is the demerger of IAM from the Investec Group. The transaction comprises a restructuring of the asset management service from the Investec Group to newly established entities that will be independently listed on the JSE and LSE.

¹ During the course of the hearing, the merging parties indicated that the acquiring firms will now be referred to as Ninety One Ltd (SA) and Ninety One Plc (UK).

COMPETITION ANALYSIS

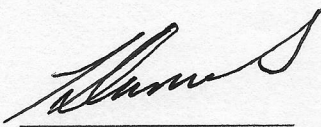
[8] The Commission considered the activities of the merging parties and found that proposed transaction does not result in a horizontal or vertical overlap as the merging parties do not provide services that are substitutable or considered to be inputs to each other. The proposed transaction will not change the structure of the relevant market and as such, the Tribunal is of the view that the proposed transaction is unlikely to prevent or lessen competition.

PUBLIC INTEREST

[9] The merging parties confirmed that the proposed transaction would not have any adverse effects on employment in South Africa. The employees of IAM raised no concerns with the transaction. The transaction raises no other public interest concerns.

CONCLUSION

[10] In light of the above, we approved the transaction subject to no conditions.



Mr Enver Daniels

09 January 2020
Date

Ms Yasmin Carrim and Ms Andiswa Ndoni

Tribunal Case Manager	:Lumkisa Jordaan
For the merging parties	:Mark Garden and Tayla Theron of ENSafrica
For the Commission	:Nonhlanhla Msiza and Mogau Aphane