

## BlackRock to acquire Barclays Global Investors

Since the onset of the Global Financial Crisis in 2008, we have seen unprecedented change in corporate ownership within the financial services industry. Last week's announcement from Barclays PLC that it had received a binding offer from BlackRock, Inc. to acquire Barclays Global Investors (BGI) is the latest in such corporate ownership changes. If the offer is ultimately accepted, BGI and BlackRock will form one integrated firm that will operate under the name BlackRock Global Investors. Both BlackRock and BGI are managers in ipac's portfolios.

ipac regularly reviews each of its managers to reaffirm confidence in their investment advantage. Given recent industry consolidation, ipac has increased its surveillance of incumbent fund managers to ensure that changes in corporate ownership do not undermine their competitive edge. ipac does not expect the potential acquisition of BGI by BlackRock to alter either manager's competitive advantage. BlackRock has previous experience of merging and integrating fund management firms, and is expected to manage the transaction in a way that does not impact negatively on the delivery of the services either firm delivers.

The merger is expected to be completed in January 2010, subject to regulatory and shareholder approvals. ipac will shortly be meeting with the senior management team of BlackRock to confirm that the investment teams managing money for ipac are not expected to change.

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