



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF MERGER OF MUTUAL FUNDS M/S. JS VALUE FUND AND M/S.
LARGE CAP FUND WITH AND INTO M/S. JS GROWTH FUND.

CASE: 1090/Merger-CCP/20

Commission


Ms. Shaista Bano Gilani
Act. Chairperson


Bushra Naz Malik
Member



ORDER

1. On 19th March 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/S. JS Investments Ltd ("**JSIL**" or "**Applicant**") whereby it intends to merge M/s. JS Value Fund ("**JSVF**" or "**Merger Party 1**") and M/s. JS Large Cap Fund ("**JSLCF**" or "**Merger Party 2**") with and into JS Growth Fund ("**JSGF**" or "**Merger Party 3**"), pursuant to the Scheme of Merger. All the requisite information/documentation pertaining to the application was completed by the applicant on 15th April 2020.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The investment objective of the undertakings concerned are:
 - a. For the Merger Party 1: maintain a portfolio of high yielding securities aiming at earnings derived from capital appreciation and dividend income.
 - b. For the Merger Party 2: benefit from an attractive Capital Market in an economy with growth potential, to maximize the total investment return consisting of a combination of capital appreciation and dividend income.
 - c. For the Merger Party 3: enable the certificate holders to participate in a diversified portfolio of high quality equity securities listed on the stock exchanges and to maximize the investment return, by prudent investment management.
 - ii. The proposed transaction involves merger of JSVF and JSLCF with and into JSGF. There is no transactional value reported for the merger but however the size of the three funds is PKR _____ which can be considered as transaction value for this transaction.
 - iii. The Target belongs to the relevant product market of "**Open-End Equity Mutual Funds**" having a geographic market identified as of "**Pakistan**". Based on the data supplied by the Applicant, current market share of JSGF is _____ %, JSVF is _____ % and JSLCF is _____ %. Post-transaction, JSVF and JSLCF will cease to exist and JSGF will be the surviving entity with the market share of _____ %.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.



(Ms. Shaista Bano Gilani)
Act. Chairperson



(Ms. Bushra Naz Malik)
Member

Islamabad the 8th MAY, 2020.

