

AIMS TO FLOAT NEW PRIVATE MUTUAL FUND

AIMS of Bangladesh limited, the only asset management company of Bangladesh in the private sector, has applied to the Securities & Exchange Commission (SEC) for registration of the third mutual fund of the country under private sponsorship and management. The new mutual fund named "BGIC Mutual Fund" is being sponsored by Bangladesh General Insurance Company Limited (BGIC) which is the first private insurance company in Bangladesh. BGIC is also the Trustee of the country's first private mutual fund "AIMS First Guaranteed Mutual Fund" launched also by AIMS in year 2000.

BGIC has appointed IDLC of Bangladesh Limited as the Trustee & Custodian for the proposed mutual fund. IDLC is the first and leading leasing company of the country and was also one of the co-sponsors of "AIMS First Guaranteed Mutual Fund." AIMS of Bangladesh Limited have been appointed as the Asset Manager for the new mutual fund. Details of the asset management company of the proposed mutual fund are available at <http://www.aims-bangladesh.com>.

In this regard, a Trust Deed would be executed to establish the mutual fund by the constituents after it is vetted by the Commission and thereafter the "BGIC Mutual Fund" is expected to go for public subscription.

AIMS of Bangladesh Limited also launched the "Grameen Mutual Fund One" in 2005 as the second private mutual fund in Bangladesh under the sponsorship of Grameen Bank. Both the AIMS First and the Grameen One are closed-end funds listed with the stock exchanges. The combined current net assets of the two private mutual funds are about Tk550 million against market capitalization of about Tk1.50 billion.

The Securities & Exchange Commission (SEC) recently allocated a 10% reserved quota for the mutual funds in every IPOs approved by it. The preferential treatment has attracted lot of interest from the small investors towards mutual funds in recent months. Most of the mutual funds are now being traded at a price higher than respective net asset values. The units of the "AIMS First Guaranteed Mutual Fund" and "Grameen Mutual Fund One" are currently trading at Tk4.50 and Tk45 against face value of Tk1 and Tk10 respectively at the stock exchanges.

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