

MINUTES OF THE GENERAL MEETING OF THE UNITHOLDERS OF AIMS FIRST GUARANTEED MUTUAL FUND

*BIAM Auditorium, Eskaton, Dhaka
11:00am, May 31, 2005*

A general meeting of the Unitholders of the AIMS First Guaranteed Mutual Fund was held at the BIAM auditorium, Eskaton, Dhaka at 11:00am on May 31, 2005.

The meeting, chaired by Mr. Khorshed Alam, Advisor, Bangladesh General Insurance Company Limited (BGIC), the Trustee of the Fund, was also attended on the dais by :

1. Mr. Anisuzzaman FCA, Consultant, BGIC & Member Trustee Committee
2. Mr. Md. Mustafa, Chief-Share Department, BGIC & Member Trustee Committee
3. Mr. AF Nesaruddin FCA, Hoda Vasi Chowdhury & Co, Auditor of the Fund
4. Mr. Yawer Sayeed MBA, Managing Director & CEO, AIMS of Bangladesh Limited, Manager of the Fund

The entire proceeding of the meeting was video taped for record. A list of the general Unitholders attending the meeting is annexed herewith.

At the onset the chairman of the meeting welcomed the Unitholders present. He expressed his sincere thanks and gratitude for their demonstrated faith and confidence on the first ever mutual fund in the country under private initiative and invited Mr. Yawer Sayeed of AIMS of Bangladesh Limited to narrate the background and purpose of the meeting.

Responding to the invitation, Mr. Sayeed also thanked the gathering for being present at the meeting in large numbers and requested them to pray for the early recovery of Mr. M. A. Samad, Chairman of BGIC who could not be present at the meeting being abroad for treatment. He then readout the background note and purpose of the meeting as detailed on the 'Report & Recommendation to the Unitholders' that was earlier mailed to the respective address of the Unitholders along with the notice of the meeting.

He also readout the letter from the Securities & Exchange Commission (SEC) bearing number SEC/Reg./G-61/Part-6/2002/355 of April 27, 2005 which asserted among others that the referred 'Report & Recommendation to the Unitholders' is absolutely the matters to be considered by the Unitholders. In this regard he thanked the SEC for such an initiative that has empowered the small investors of the Fund to take a decision at their best interest and absolute discretion. He also added that since the SEC has not put any objection to any of the alternate options put forward for consideration of the Unitholders, the honorable Unitholders are now absolutely free to decide on any one of these.

Mr. Sayeed informed the gathering that in terms of section 3.1 (e) of the Trust Deed, the Fund shall be redeemed on maturity at the end of the fifth year, falling due on June 30, 2005 next. However, Unitholders at a general meeting may decide to extend the life of the Fund with two-third majority vote of the Unitholders present and voting. And in terms of chapter 2, 'Redemption Policy' submission (a) of the Prospectus of the Fund, if three-fourth majority of the Unitholders do not decide otherwise at the closing

meeting called for the purpose, the Trustee will declare full redemption. The Unitholders can authorize the Trustee and/or Asset Management Company to take steps for winding up of the Fund.

He further explained that now in terms of the above, the Trustee has called this meeting of the Unitholders, and the Asset Manager is pleased to report and recommend the following, with consent from the Trustee and under intimation to the Securities & Exchange Commission (SEC), for considerate decision of the Unitholders on :

- a. To redeem the Fund at its initial maturity on close of accounts at end of the fifth year falling on June 30, 2005, or
- b. To extend the life of the Fund for a further term, and in the event of the Unitholders voting for an extension :
 1. To determine the tenure of any such extension, and
 2. To retain, annul or amend the capital guarantee characteristic of the Fund in light of Chapter 3, submission (h), (i) and (k) of the Prospectus, and
 3. To determine any possible increase or decrease in size of the Fund, and additionally
 - i. To change or retain the Asset Management Company, and
 - ii. To change or retain the Trustee.

A section of the shareholders then requested to elaborate the different options that they have and also the polling procedure, which was obliged. The Unitholders were informed that in general the Unitholders have five options to consider and accept any one only through passing a relevant resolution as under :

- Option 1: Redeem the Fund
- Option 2: Continue the Fund for another 5 (five) years with size and all features unchanged
- Option 3: Continuing the fund for another 5 (five) years with scheme size remaining same but altered capital guarantee feature of 50%
- Option 4: Continuing the fund with same scheme size for another 10 (ten) years but altered capital guarantee feature of 50% provided by the Asset Manager
- Option 5: Continuing the fund for another 10 (ten) years with scheme size increased to Tk140m and altered capital guarantee feature of 50% provided by the Asset Manager

Mr. Sayeed then explained the relative merit and demerits as well as consequences of accepting any specific option. The chairman of the meeting then opened the house for discussion.

The Unitholders entered into a lively discussion and posted specific questions to the dais all of which were answered to their satisfaction. At the end of the threadbare discussion, Mr. AF Nesaruddin FCA, representative of Hoda Vasi Chowdhury & Co, Auditor of the Fund asked the Unitholders to go for secret polling on the proposed alternative resolutions. He also explained the polling procedure and how to fill-in the ballot paper. However, the Unitholders present in one voice expressed their favor for Option 5 of the 'Report & Recommendation to the Unitholders'. Since there was not a single vote of dissent, Mr. Nesaruddin readout the resolution attached to the Option 5 of the 'Report & Recommendation to the Unitholders' for the benefit of the Unitholders present.

The house then unanimously passed the following resolution through voice vote and show of hands, as proposed by the representative of the Bangladesh Shilpa Rin Sangstha (BSRS), registered folio no. 002943, and seconded by the representative of the Investment Corporation of Bangladesh (ICB), registered folio no. 002537 :

“Resolved that the tenure of the AIMS First Guaranteed Mutual Fund (AFGMF) be and hereby extended by another 10 (ten) years from June 30, 2005 i.e. up to June 30, 2015 with a capital guarantee of 50% on redemption at the end of the extended tenure provided by the AIMS of Bangladesh Limited free of any cost and that the Asset Manager shall strive to keep a minimum 10% of the capital in Fixed Income Securities (FIS) to comfort the guarantee scheme. Also resolved that the Unitholders at a suitable time prior to the extended redemption date shall determine redemption or further extension at a closing meeting to be called by the Trustee. It is further resolved that the size of the Fund be increased to Tk 140 million at the close of the initial 5 (five) year tenure, i.e. on July 01, 2005 or immediately thereafter by issuance and sale of 1:1 units @ Tk 1.00 per unit to the Unitholders on a pro-rata basis whose name appear on the unit register as on June 30, 2005, provided that any non-exercise of the allotment by any of the Unitholders may be taken up by other existing Unitholders and the Trustee shall distribute such allotment on an exact proportionate basis or through a public lottery.”

Mr. Nesaruddin then drew the attention of the Unitholders to another two additional resolutions pertaining to the reappointment of the Asset Management Company and the Trustee of the Fund for the extended life period. He explained that it should be distinctly understood that the Unitholders reserve the right to appoint any otherwise qualified and eligible Asset Management Company and/or Trustee other than the incumbent ones, by a vote of two-third majority, subject to clearance from the Securities & Exchange Commission in terms of Section 31(2) and 23(4) respectively of the SEC (Mutual Fund) Rules 2001

The Unitholders then unanimously adopted the following resolution as proposed by the representative of the Industrial Development Leasing Company of Bangladesh Limited (IDLC), registered folio no. 000004, and seconded by the representative of the Uttara Finance & Investments Limited (UFIL), registered folio no. 000006, incidentally both of which were among the distinguished Sponsors of the Fund :

“Resolved that the Asset & Investment Management Services (AIMS) of Bangladesh Limited shall continue to be the Asset Management Company for the AIMS First Guaranteed Mutual Fund for the extended life of the Fund as resolved by the Unitholders, under the terms & conditions as existing and provided for in the Trust Deed of the Fund and the SEC (Mutual Fund) Rules 2001.”

There were some lively debate and discussions on the issue of the fees of the Trustee for the extended period and after intervention and explanations from Mr. Yawer Sayeed and Mr. AF Nesaruddin, the Unitholders passed the following resolution as proposed by the representative of Prime Finance & Investments Limited, registered folio no. 003533, and seconded by Mr. Sufi Hyder Zulfiqar Rahman, registered folio no. 000110 :

“Resolved that the Bangladesh General Insurance Company (BGIC) Limited shall continue to be the Trustee for the AIMS First Guaranteed Mutual Fund for the extended life of the Fund as resolved by the Unitholders, under the terms &

conditions as existing and provided for in the Trust Deed of the Fund and the SEC (Mutual Fund) Rules 2001 at a fee of Tk200,000 per annum.”

The Chairman thanked the Unitholders present for patiently remaining for the whole session and actively participating in the deliberation. He reminded them that today they have become a part of history of the capital market of the country as, for the first time the life and size of a mutual fund is being extended in Bangladesh and that too at the absolute discretion of the general Unitholders.

There being no other matter to discuss, the Chairman declared the meeting closed and invited the participants to tea.

Khorshed Alam
Advisor, BGIC
& Trustee AIMS First Guaranteed Mutual Fund

Dhaka, June 01, 2005