

BANKGESELLSCHAFT BERLIN AG
Form SC 13D/A
December 23, 2002

Securities and Exchange Commission
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 2)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO
RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

Aberdeen Australia Equity Fund, Inc.

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

318652104

(CUSIP Number)

Moritz Sell
Bankgesellschaft Berlin AG
Alexanderplatz 2
D-10178 Berlin
Germany
+44.20.7572.6200

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

December 23, 2002

(Date of Event which Requires
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box. []

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Fund (the "Board"). The Bank believes that in order to enhance stockholder value it is imperative that the interests of the Board be aligned with the stockholders, and not with the management of the Fund or its investment adviser. Accordingly, the Bank has notified the Fund that the Bank proposes to nominate four nominees of the Bank to the Board at the election scheduled to occur at the Annual Meeting of the Fund in 2003 and, in connection therewith, delivered written notice of such nominations, as well as the other matters specified below, to the Secretary of the Fund on December 20, 2002 (the "Notice"). The names of the persons to be nominated by the Bank to the Board are Dirk Kipp, Gregory L. Melville, Moritz A. Sell and Stefan Bungarten, all of whom are officers of the Bank.

In addition, the Bank indicated in its initial filing of its Schedule 13d that it might consider taking other actions to maximize the return on its investment of the Common Shares. The Bank believes that in order to enhance stockholder value the current investment management agreement by and between the Fund and Aberdeen Asset Managers (C.I.) Limited "Investment Management Agreement" and the current advisory agreement by and between the Fund and Aberdeen Asset Management Limited (the "Investment Advisory Agreement") should be terminated. The Bank intends to submit the stockholder proposals to terminate the Investment Management Agreement and the Investment Advisory Agreement as set forth in Exhibits A and B hereto for consideration by the Fund's stockholders at the Annual Meeting of the Fund in 2003 and so stated in the Notice.

The Bank further believes that, in connection with the proposed termination of the Investment Management Agreement and the Advisory Agreement, the name of the Fund should be changed to adopt a new name which does not associate the Fund with the Investment Manager and Adviser. The Bank's proposed new name of the Fund would be The Australia Equity Fund. The Bank intends to submit the stockholder proposal to urge the board of directors of the Fund to approve the name change as set forth in Exhibit C hereto for consideration by the Fund's stockholders at the Annual Meeting of the Fund in 2003 and so stated in the Notice

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This 13D filing is occasioned by the Bank's intended submission of its director nominations and stockholder proposals.

Except as set forth herein and in the Schedule 13D and amendments thereto previously filed by the Bank, the Bank has not formulated any plans or proposals which relate to or would result in any of the transactions described in paragraphs (a) through (j) of Item 4.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) According to the Semi-annual Report dated July 12, 2002, as of April 30, 2002, there were 17,107,898 shares of Common Stock outstanding. The percentage set forth in this Item 5(a) was derived using such number. The Bank is the beneficial owner of 5,374,949 shares of Common Stock, which constitute approximately 31.4% of the outstanding shares of Common Stock.

(b) The Bank has sole power to vote and to dispose of the shares of Common Stock owned by it.

(c) During the last sixty days, the Bank has effected the following purchases of shares of Common Stock:

Date	Number of Shares	Price Per Share
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October 22, 2002	5,348,149	\$5.1436
November 1, 2002	15,000	\$5.82
November 20, 2002	7,200	\$5.8258

(d) No person other than the Bank has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock owned by the Bank.

(e) Inapplicable.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit A. Stockholder Proposal relating to Investment Management Agreement.

Exhibit B. Stockholder Proposal relating to Advisory Agreement.

Exhibit C. Stockholder Proposal relating to name change.

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SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Date: December 23, 2002

BANKGESELLSCHAFT BERLIN AG

By: /s/ Dirk Kipp

Name: Dirk Kipp
Title: Managing Director

By: /s/ Moritz Sell

Name: Moritz Sell
Title: Director

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EXHIBIT A.

Stockholder Proposal

PROPOSAL: "That the investment management agreement by and between the Fund and Aberdeen Asset Managers (C.I.) Limited be and hereby is terminated upon expiration of the sixty (60) day period beginning with the date of the 2003 Annual Meeting of the Fund."

Statement

Bankgesellschaft Berlin A.G. is a significant stockholder in the Fund, currently

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holding approximately 5,374,949 shares or approximately 31.4% of the Fund's outstanding common shares.

The Fund's shares have long traded at a discount to net asset value. At December 13, 2002, the Fund's discount stood at 11.26%. The average weekly discount to net asset value over the period January 4, 2002 to December 13, 2002 was 12.86%.

We believe that the persistence of the discount is largely the fault of Aberdeen Asset managers (C.I.) Limited, the Fund's investment manager (the "Manager"), and its affiliate Aberdeen Asset Management Limited, the Fund's investment adviser. Because the Manager has not taken, or caused the Fund to take, aggressive steps to eliminate the discount, we are proposing that the investment management agreement between the Fund and the Manager be terminated.

In addition, regulatory authorities in the United Kingdom have initiated investigations regarding the operations of the Manager or its affiliates. These investigations have generated negative publicity regarding the Manager. We believe that, to avoid being associated with such negative publicity, the Fund should terminate its relationship with the Manager.

EXHIBIT B.

Stockholder Proposal

PROPOSAL: "That the advisory agreement by and between the Fund and Aberdeen Asset Management Limited be and hereby is terminated upon expiration of the sixty (60) day period beginning with the date of the 2003 Annual Meeting of the Fund."

Statement

Bankgesellschaft Berlin A.G. is a significant stockholder in the Fund, currently holding approximately 5,374,949 shares or approximately 31.4% of the Fund's outstanding common shares.

The Fund's shares have long traded at a discount to net asset value. At December 13, 2002, the Fund's discount stood at 11.26%. The average weekly discount to net asset value over the period January 4, 2002 to December 13, 2002 was 12.86%.

We believe that the persistence of the discount is largely the fault of Aberdeen Asset Management Limited, the Fund's investment adviser (the "Adviser"), and its affiliate, Aberdeen Asset managers (C.I.) Limited, the Fund's investment manager. Because the Adviser has not taken, or caused the Fund to take, aggressive steps to eliminate the discount, we are proposing that the advisory agreement between the Fund and the Adviser be terminated.

In addition, regulatory authorities in the United Kingdom have initiated investigations regarding the operations of the Adviser or its affiliates. These investigations have generated negative publicity regarding the Adviser. We believe that, to avoid being associated with such negative publicity, the Fund should terminate its relationship with the Adviser.

EXHIBIT C.

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Stockholder Proposal

PROPOSAL: "To strongly urge the board of directors of the Fund to consider and act upon an amendment to the Fund's Articles of Incorporation to change the name of the Fund to The Australia Equity Fund."

Statement

This proposal is made for two reasons. First, if the Fund's investment management and advisory arrangements with the Investment Manager and the Adviser are terminated, we believe that it will no longer be appropriate to for the Fund's name to reflect the name of its terminated advisers. Second, regulatory authorities in the United Kingdom have initiated investigations regarding the operations of the Investment Manager and Adviser. These investigations have generated negative publicity regarding the Investment Manager and Adviser. We believe that, to avoid being associated with such negative publicity, the Fund should change its name to remove any reference to the Investment Manager and Adviser, even if the Fund's investment management and advisory arrangements with the Investment Manager and the Adviser are not terminated.