

# AIG GREATER CHINA EQUITY FUND

28 February 2010

## OBJECTIVE

AIG Greater China Equity Fund ("the Fund") seeks to achieve capital growth by investing in companies whose assets, products or operations are based in Greater China.

## FUND FACTS

<b>Domicile &amp; Type</b>	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
<b>Inception Date of Class</b>	29 Jul 2005
<b>Inception Date of Predecessor Class</b>	18 Dec 2002 *
<b>Benchmark</b>	MSCI Golden Dragon DTR Net
<b>Base Currency</b>	USD
<b>Class</b>	A
<b>Class Currency</b>	USD
<b>Minimum Investment</b>	USD 1,000
<b>Management Fee</b>	1.30%
<b>Listing &amp; Dealing</b>	Unlisted / Daily
<b>Distribution Policy</b>	Income and capital gains may be distributed
<b>ISIN Number</b>	IE0032431581
<b>Portfolio Manager(s)</b>	Cheri Wong / Elizabeth Soon / Peter Soo
<b>Investment Manager(s)</b>	AIG Global Investment Corporation (Asia) Ltd.
<b>Legal Manager</b>	AIG Investments Fund Management Ltd.
<b>Authorised for Public Distribution In</b>	Austria, Czech Republic, Finland, France, Germany, Hong Kong, Italy, Singapore, Slovakia, Spain, Sweden, Taiwan (ROC), United Kingdom
<b>Regulated By</b>	Financial Regulator in Ireland

\*Refer to footnotes

## COMMENTARY

### Market Review

- Asian equities usually perform poorly at the start of monetary tightening cycles. This has happened to Greater China markets so far in 2010, with the MSCI AC Golden Dragon index down by 6.91% YTD due to Euro zone worries, China monetary tightening and the US discount rate hike.

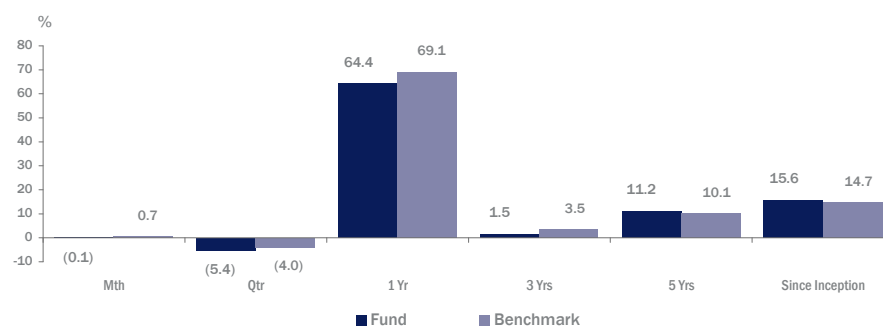
### Fund Activity & Outlook

- Cnooc Ltd. contributed positively to Fund performance on strong production growth, while Hon Hai Precision Industry was one of the detractors due to concerns of rising production costs and potential component shortage.

- During the month, the Fund decreased its weighting in Hong Kong. The Fund also initiated a position in Hiti Digital Inc. in view of its high margin on selling consumable products and strong cash position. The Fund also exited its position in China Dongxiang Group on high inventory levels and a slowdown of same store stores in China's sportswear sector.
- We reiterate our view that Greater China is still in a secular bull market but a short term correction is inevitable. This quarter will be led by a slew of year end results announcements which we believe will be achieved on the high end of analysts' estimates.

## PERFORMANCE

For periods ending 28 February 2010



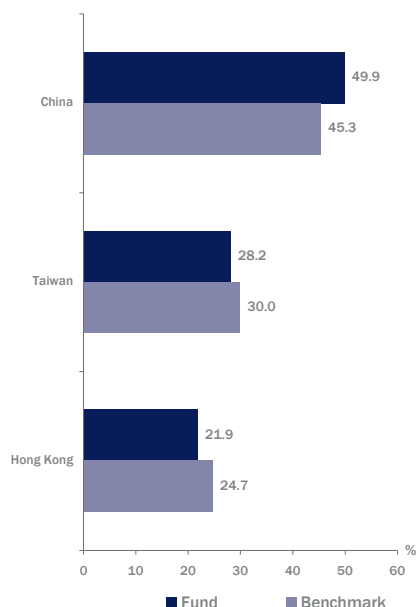
Calendar Year	Fund %	Benchmark %	Difference %
2010 YTD	(8.3)	(6.9)	(1.4)
2009	66.8	66.7	0.1
2008	(50.6)	(49.5)	(1.1)
2007	39.9	37.6	2.3
2006	45.0	39.1	5.9

Fund: AIG Greater China Equity Fund Class 'A' Units

Benchmark: MSCI Golden Dragon DTR Net

Indicative gross performance before fees and all charges. 1, 3, 5 Yrs and since inception returns are annualised. Past performance is not indicative of future results. Refer to footnotes.

## COUNTRY ALLOCATION



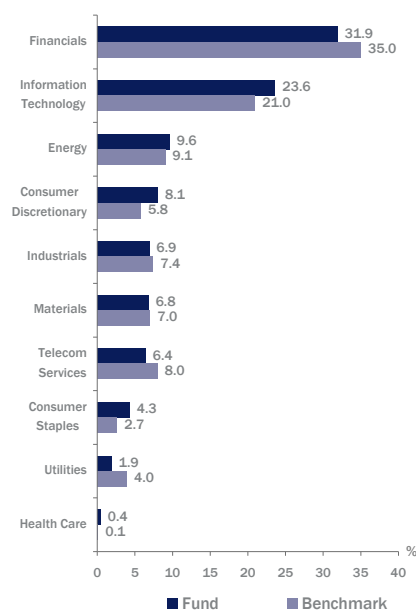
## TOP 10 HOLDINGS

Company	%
China Mobile Ltd (CN)	6.4
Hon Hai Precision Industry Co (TW)	3.7
China Construction Bank (CN)	3.0
Taiwan Semiconductor Manufacturing Co (TW)	2.8
China Life Insurance Co (CN)	2.7
Cnooc Limited (CN)	2.7
Hengan International (CN)	2.7
China Shenhua Energy Co (CN)	2.7
Sun Hung Kai Properties (HK)	2.5
Mediatek Inc (TW)	2.3
<b>Total</b>	<b>31.5</b>

## FUND STATISTICS

Fund Size	USD 604,409,769
NAV per Unit	USD 30.7093
Weighted Avg Mkt Cap (\$ M)	36,362
Number of Securities	75
Risk Free Rate	0.0
Sharpe Ratio (3yr)	0.0
Standard Deviation (3yr)	32.5
Information Ratio (3yr)	(0.6)
Tracking Error (3yr)	3.6
Alpha	(1.8)
Beta	1.0
R-Squared	98.8

## SECTOR WEIGHTS



Fund: AIG Greater China Equity Fund  
 Benchmark: MSCI Golden Dragon DTR Net  
 Asset allocations as at month end.

[www.aiginvestments.com](http://www.aiginvestments.com)

All information as of 28 Feb 2010 unless noted otherwise. Portfolio Structure may vary over time. Holdings are subject to change. We are not soliciting or recommending any action based on this material. This document should be read in conjunction with the Prospectus (including defined terms) and is subject at all times to the terms and conditions as set out therein. AIG Greater China Equity Fund (the "Fund") is a sub-fund of AIG Global Funds, an Irish domiciled UCITS III umbrella fund, authorized and regulated by the Financial Regulator in Ireland. The Fund was formed as a successor fund to AIG Greater China Equity Fund plc ("the Company") following a scheme of amalgamation with the Company and was launched on 29 July 2005. AIG Global Investment Corporation (Asia) Ltd. is the Investment Manager to the Fund and also acted in this capacity for the Company. The performance presented herein is representative of Class 'A' in U.S. Dollars of the Company up to 29 July 2005, and the Fund from that date. The price of units and the income from them may fall as well as rise and investors may not get back the full amount originally invested. This document is intended for distribution only to existing and prospective investors for whom it is suitable and does not constitute an offer of units. Its general circulation may be restricted by law in certain jurisdictions. The Fund is not available for investment in the United States or to or for the account of U.S. Persons. AIG Investments Europe Limited is authorised and regulated by the Financial Services Authority ("FSA"). In the UK this communication is a financial promotion solely intended for professional clients as defined in the FSA Handbook and has been approved by AIG Investments Europe Limited. Copies of the Prospectus, the Simplified Prospectus and the most recent financial statements may be obtained free of charge in Ireland from AIG Investments Fund Management Ltd., and in Germany from BHF-BANK AG, Bockenheimer Landstraße 10, 60323 Frankfurt. Unless otherwise noted, all information is sourced from AIG Investments internal data. AIG Investments comprises a group of international companies which provide investment advice and market asset management products and services to clients around the world. Services and products are provided by one or more affiliates of American International Group, Inc. ("AIG"). AIG Investments is a registered mark of AIG. Issued by: AIG Investments Fund Management Ltd, 30 North Wall Quay, IFSC, Dublin 1, Ireland. Phone: 353-1-6720222. Facsimile: 353-1-6720267.

