

AIG BALANCED WORLD FUND

31 January 2010

OBJECTIVE

AIG Balanced World Fund ('the Fund') seeks to achieve capital appreciation by identifying new and changing worldwide economic and investment trends, through investment in equity, fixed income and short-term securities.

FUND FACTS

Domicile & Type	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
Inception Date of Class	7 Apr 2006
Inception Date of Predecessor Class	6 Nov 1991 *
Benchmark	40% Citigroup WorldBIG Non MBS/60% MSCI World DTR Net (see footnote)
Base Currency	USD
Class	Y
Class Currency	USD
Minimum Investment	USD 1 million
Management Fee	1.00% since 18 Oct 2001
Listing & Dealing	Unlisted / Daily
Distribution Policy	Income and capital gains may be distributed
ISIN Number	IE0007357332
Portfolio Manager(s)	Michael Kelly / Anthony King / Robin Thorn
Investment Manager(s)	AIG Global Investment Corp. & AIG Investments Europe Ltd. / AIG Investments Japan Co., Ltd.
Legal Manager	AIG Investments Fund Management Ltd.
Authorised for Public Distribution In	Taiwan (ROC), United Kingdom
Regulated By	Financial Regulator in Ireland
Morningstar Rating™	★★★

*Refer to footnotes

COMMENTARY

Market Review

- Global equity markets retreated in January as concerns over sovereign credit and tightening monetary policy surfaced.
- Global bond yields fell over the month as US employment and retail sales data disappointed, pushing back market expectations for FOMC tightening.

Fund Activity

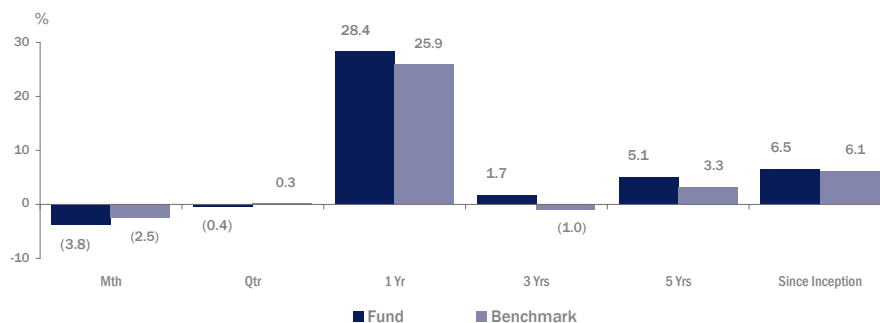
- In the equity portion of the Fund, stock selection in North America and Europe proved to be the biggest detractor from performance in January. Regions that contributed positively included Australia and EMEA. Financials was our best performing sector, with industrials detracting the most.
- In the bond portion of the Fund, our aggregate overweight duration position provided a small positive contribution to performance.

Outlook

- Unemployment rates have slowly halted their ascent, however there has yet to be a significant sign of job creation which continues to leave an overall sense of pessimism. Investors will need to see signs of stability in the markets to allow the rally of 2009 to return.
- While we expect long term average growth and inflation rates to remain low, valuation factors are bond supportive albeit countered by more challenging fundamental and technical influences. Varying expectations about the major central banks' tightening plans are likely to increase the volatility of the market, hence supporting a low risk overall duration strategy.

PERFORMANCE

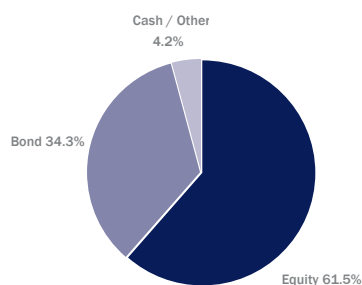
For periods ending 31 January 2010



Calendar Year	Fund %	Benchmark %	Difference %
2010 YTD	(3.8)	(2.5)	(1.3)
2009	24.8	20.2	4.6
2008	(22.3)	(24.3)	2.0
2007	12.6	9.7	2.9
2006	13.5	14.7	(1.2)

Fund: AIG Balanced World Fund Class 'Y' Units
 Benchmark: 40% Citigroup WorldBIG Non MBS/60% MSCI World DTR Net (see footnote)
 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.

ASSET ALLOCATION



Fund: AIG Balanced World Fund
Asset allocations as at month end.

TOP 10 HOLDINGS

2.00% Japan (Govt Of) 20/Mar/2025 (JP)
United Parcel Service (US)
Pepsico Inc (US)
Express Scripts Inc (US)
Transocean Ltd (US)
Hewlett Packard Co (US)
3.625% US Treasury 15/Aug/2019 (US)
Kingfisher (GB)
Nidec Corporation (JP)
1.30% Japan (Govt Of) 20/Dec/2019 (JP)
Total

%

2.2
1.9
1.9
1.9
1.9
1.7
1.4
1.6
1.6
1.6
17.7

FUND STATISTICS

Fund Size	USD 69,523,125
NAV per Unit	USD 236.0809
Number of Securities	142
Risk Free Rate	0.0
Sharpe Ratio (3yr)	0.0
Standard Deviation (3yr)	15.0
Information Ratio (3yr)	1.1
Tracking Error (3yr)	2.5
Alpha	2.7
Beta	1.0
R-Squared	97.3

www.aiginvestments.com

All information as of 31 Jan 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 Balanced World Fund: From 01 January 1993 to 31 December 2003, the blended Index was composed of 50% JP Morgan Global Government Bond (USD) Index and 50% MSCI World DTR Net (USD) Index. From 01 January 2004, the benchmark was changed to 40% Citigroup WorldBIG Non MBS (USD) and 60% MSCI World DTR Net (USD) Index. AIG Balanced World 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 Balanced World Fund plc (the "Company") following a scheme of amalgamation with the Company and was launched on 7 April 2006. AIG Global Investment Corp. ("AIGGIC") and AIG Investments Europe Ltd. are the Investment Managers to the Fund and also acted in this capacity for the Company. The performance presented herein is representative of Class 'Y' in U.S. Dollars of the Company up to 7 April 2006, and of 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 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. Morningstar Rating™ Source: Morningstar Essentials™. Copyright © 2010 Morningstar, Inc. All Rights Reserved. Morningstar Rating as of 31 Jan 2010, in the DOLLAR MODERATE BALANCED Morningstar Category. 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.

