

# AIG AMERICAN EQUITY FUND

31 October 2009

## OBJECTIVE

AIG American Equity Fund ('the Fund') seeks to achieve capital growth by investing at least 90% in companies which have assets, products, or operations based in the United States or are included in the Russell 1000 Index. Up to 10% of the value of the Fund may be invested in other companies which have a US Stock Exchange listing.

## FUND FACTS

|  |  |
|--|--|
| <b>Domicile &amp; Type</b>                   | Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust |
| <b>Inception Date of Class</b>               | 7 Apr 2006   |
| <b>Inception Date of Predecessor Class</b>   | 5 Jun 1984 *   |
| <b>Benchmark</b>                             | Standard & Poor's 500 Total Return (see footnote)              |
| <b>Base Currency</b>                         | USD  |
| <b>Class</b>                                 | Y  |
| <b>Class Currency</b>                        | USD  |
| <b>Minimum Investment</b>                    | USD 1 million  |
| <b>Management Fee</b>                        | 1.00%  |
| <b>Listing &amp; Dealing</b>                 | Unlisted / Daily   |
| <b>Distribution Policy</b>                   | Income and capital gains may be distributed                    |
| <b>ISIN Number</b>                           | IE0000018873   |
| <b>Portfolio Manager(s)</b>                  | Dan Neuger / Lan Cai / Alex Piccolo / Tim Campion              |
| <b>Investment Manager(s)</b>                 | AIG Global Investment Corp.                                    |
| <b>Legal Manager</b>                         | AIG Investments Fund Management Ltd.                           |
| <b>Authorised for Public Distribution In</b> | Germany, Hong Kong, Sweden, Taiwan (ROC), United Kingdom       |
| <b>Regulated By</b>                          | Financial Regulator in Ireland                                 |
| <b>Morningstar Rating™</b>                   | ★★★★   |

\*Refer to footnotes

## COMMENTARY

### Market Review

- The US market declined in October on mixed economic data and concerns over the sustainability of the economic recovery. During the first half of the month, the market shook off lower than consensus ISM Manufacturing data and higher unemployment as the beginning of the earnings season was better than expected. During the second half of the month, the market turned downward on lower than expected housing starts, a drop in consumer confidence and questions about the quality of earnings.
- The S&P500 was slightly down over the month, ending a streak of seven consecutive months of positive performance.

- Positions in Cliffs Natural Resources, Franklin Resources, and Chevron Corp. helped contribute to strong Fund performance during the month.

### Outlook

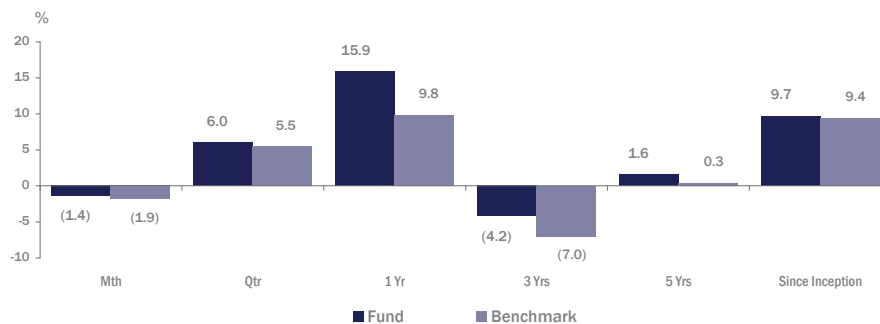
- We continue to favour improving fundamentals over compelling storylines.
- Given the continued improvement in the business environment, we are shifting our focus to quality and away from cyclicals.
- We remain cautiously optimistic towards possible improvements in the US economy and companies that benefit from proposed infrastructure projects and consumer stimulus packages.

### Fund Activity

- We are shifting our bias in the Fund from cyclicals towards quality growth stocks.

## PERFORMANCE

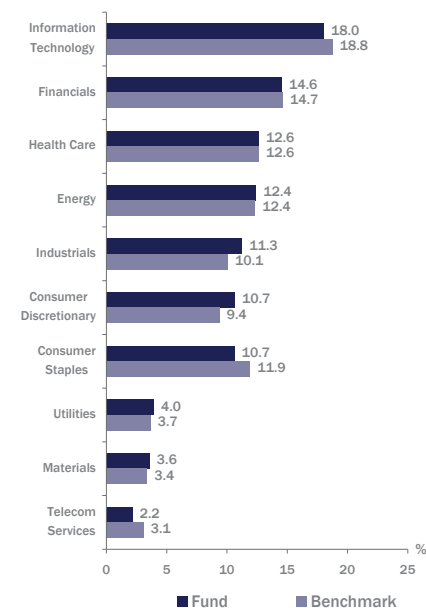
For periods ending 31 October 2009



| Calendar Year | Fund % | Benchmark % | Difference % |
|---------------|--------|-------------|--------------|
| 2009 YTD      | 21.9   | 17.0        | 4.9          |
| 2008          | (34.2) | (37.0)      | 2.8          |
| 2007          | 6.9    | 5.5         | 1.4          |
| 2006          | 10.4   | 15.8        | (5.4)        |
| 2005          | 5.7    | 4.9         | 0.8          |

Fund: AIG American Equity Fund Class 'Y' Units  
 Benchmark: Standard & Poor's 500 Total Return (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.

## SECTOR WEIGHTS



Fund: AIG American Equity Fund  
 Benchmark: Standard & Poor's 500 Total Return (see footnote)  
 Asset allocations as at month end.

## TOP 10 HOLDINGS

| Company                     | %           |
|-----------------------------|-------------|
| Apple Computer Inc (US)     | 3.1         |
| Citigroup Inc (US)          | 2.8         |
| Exxon Mobil Corp (US)       | 2.8         |
| Qualcomm Inc (US)           | 2.6         |
| Bank Amer Corp (US)         | 2.3         |
| Chevron Corp (US)           | 2.3         |
| Anadarko Pete Corp (US)     | 2.1         |
| Medco Health Solutions (US) | 2.1         |
| Medtronic Inc (US)          | 2.0         |
| Honeywell Intl Inc (US)     | 1.9         |
| <b>Total</b>                | <b>24.0</b> |

## FUND STATISTICS

|                             |                |
|-----------------------------|----------------|
| Fund Size                   | USD 93,440,125 |
| NAV per Unit                | USD 73.5138    |
| Weighted Avg Mkt Cap (\$ M) | 63,486         |
| Number of Securities        | 260            |
| Risk Free Rate              | 0.0            |
| Sharpe Ratio (3yr)          | (0.3)          |
| Standard Deviation (3yr)    | 19.0           |
| Information Ratio (3yr)     | 1.4            |
| Tracking Error (3yr)        | 2.0            |
| Alpha                       | 2.6            |
| Beta                        | 1.0            |
| R-Squared                   | 99.0           |

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

All information as of 31 Oct 2009 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 American Equity Fund: The benchmark used for July 1994 to August 1998 is the S&P 400. The S&P 500 TR is used for all other periods. AIG American 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 American Equity Trust (the "Trust") following a scheme of amalgamation with the Trust and was launched on 7 April 2006. AIG Global Investment Corp. ("AIGGIC") is the Investment Manager to the Fund and also acted in this capacity for the Trust. The Trust was formerly domiciled in Bermuda from 5 June 1984 and then transferred to Dublin, Ireland and renamed as AIG American Equity Trust on 10 August 1989. The performance presented herein is representative of Class 'Y' in U.S. Dollars of the Trust 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 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. Morningstar Rating™ Source: Morningstar Essentials™. Copyright © 2009 Morningstar, Inc. All Rights Reserved. Morningstar Rating as of 31 Oct 2009, in the U.S. LARGE-CAP BLEND EQUITY 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.

