

# AIG INDIA EQUITY FUND

28 February 2010

## OBJECTIVE

AIG India Equity Fund ('the Fund') seeks to achieve capital growth by investing in companies listed on stock exchanges in India or closely related to the economic development and growth of India.

## FUND FACTS

<b>Domicile &amp; Type</b>	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
<b>Inception Date of Class</b>	28 Sep 2006
<b>Inception Date of Predecessor Class</b>	N/A
<b>Benchmark</b>	MSCI Emerging Markets India DTR Net - (JPY)
<b>Base Currency</b>	USD
<b>Class</b>	Y3
<b>Class Currency</b>	JPY
<b>Minimum Investment</b>	JPY 125,000,000
<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>	IE00B1D7YD59
<b>Portfolio Manager(s)</b>	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, Luxembourg, Netherlands, Singapore, Slovakia, Sweden, Taiwan (ROC), United Kingdom
<b>Regulated By</b>	Financial Regulator in Ireland
<b>Morningstar Rating™</b>	★★★★★

\*AIG Global Asset Management Company (India) Private Limited provides the investment Manager with non-binding advisory services in relation to the investment of the assets of AIG India Equity Fund, coordinated by Huzaifa Husain.

## COMMENTARY

### Market Review

- In India's annual budget there has been a partial roll back of the fiscal stimulus which was given last year.
- Though the budget has reduced the government deficit, it has done so by levying new and increased taxes on companies which could either cause inflation to accelerate, or margins to shrink.

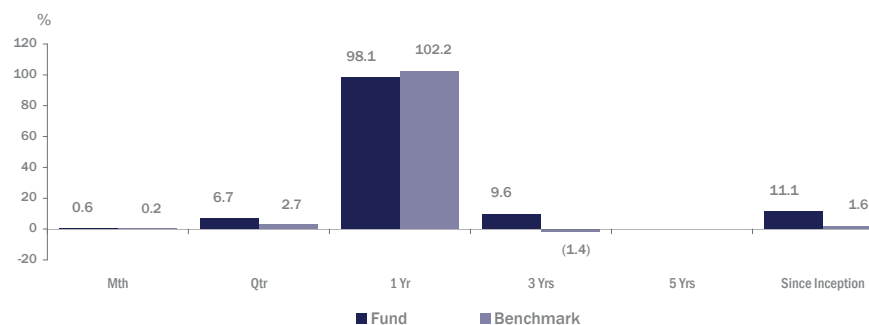
### Fund Activity & Outlook

- We bought positions in Oracle and Sun TV during the month. We believe both companies have defensive characteristics and are dominant in their field of operations. We also reduced our holdings in JSPL and Glaxo.

- The Fund's underweight in energy and overweight in health care contributed to performance, with an overweight in industrials and underweight in technology detracting.
- Holdings in the Fund have benefited from the recent budget proposals as our overweight position in consumer related sectors got a boost from a reduction in personal income taxes and a lower than expected tax increase.
- We still believe that 2010 will be a challenging year as the government deficit is still causing substantial upward pressure to interest rates and inflation. We are cautious in our portfolio construction and may use cash as an opportunistic tool.

## PERFORMANCE

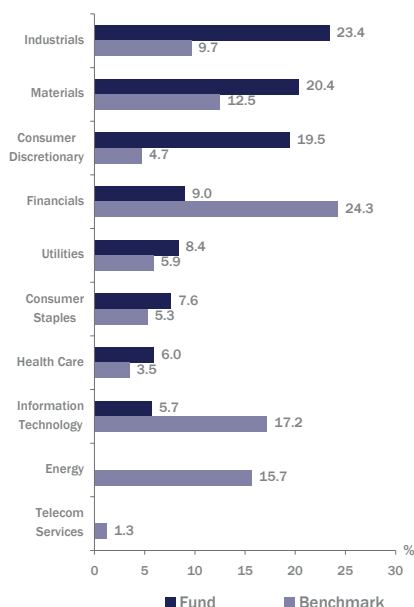
For periods ending 28 February 2010



Calendar Year	Fund %	Benchmark %	Difference %
2010 YTD	(2.4)	(7.3)	4.9
2009	105.5	107.8	(2.3)
2008	(63.8)	(71.4)	7.6
2007	70.1	62.3	7.8
2006	N/A	N/A	N/A

Fund: AIG India Equity Fund Class 'Y3' Units  
 Benchmark: MSCI Emerging Markets India DTR Net - (JPY)  
 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 India Equity Fund  
 Benchmark: MSCI Emerging Markets India DTR Net - (JPY)  
 Asset allocations as at month end.

## TOP 10 HOLDINGS

Company	%
Jindal Steel And Power (IN)	6.6
Hero Honda (IN)	6.6
Shree Cement (IN)	6.0
Container Corp (IN)	6.0
GVK Power & Infrastructure Ltd (IN)	4.6
Infosys Technologies (IN)	4.6
AIA Engineering Ltd (IN)	4.3
Asian Paints Ltd (IN)	4.1
ABB Ltd (IN)	4.0
Sun TV Network Ltd (IN)	3.8
<b>Total</b>	<b>50.6</b>

## FUND STATISTICS

Fund Size	USD 317,348,155
NAV per Unit	JPY 2,057.3672
Weighted Avg Mkt Cap (\$ M)	5,915
Number of Securities	39
Risk Free Rate	0.0
Sharpe Ratio (3yr)	0.4
Standard Deviation (3yr)	38.9
Information Ratio (3yr)	0.9
Tracking Error (3yr)	12.6
Alpha	11.6
Beta	0.8
R-Squared	92.8

[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 India 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 performance presented herein is representative of Class 'Y3' in Yen. 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 © 2010 Morningstar, Inc. All Rights Reserved. Morningstar Rating as of 28 Feb 2010, in the INDIA 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.



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