

# AIG JAPAN NEW HORIZON FUND

31 January 2010

## OBJECTIVE

AIG Japan New Horizon Fund ('the Fund') seeks to achieve capital growth by investing in companies whose assets, products or operations are based in Japan.

## 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>	9 Dec 2003 *
<b>Benchmark</b>	MSCI Japan 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>	IE0034234991
<b>Portfolio Manager(s)</b>	Akihiro Sekiya
<b>Investment Manager(s)</b>	AIG Investments Japan Co., Ltd.
<b>Legal Manager</b>	AIG Investments Fund Management Ltd.
<b>Authorised for Public Distribution In</b>	Austria, Belgium, Czech Republic, Finland, France, Germany, Hong Kong, Italy, Luxembourg, Netherlands, Singapore, Slovakia, Spain, Sweden, Taiwan (ROC), United Kingdom
<b>Regulated By</b>	Financial Regulator in Ireland
<b>S&amp;P Fund Rating</b>	A

\*Refer to footnotes

## COMMENTARY

### Market Review

- In the first half of the month, favorable economic data brightened the prospects for a global economic recovery, sparking a rally in marine transporters and resources stocks. The financials sector enjoyed buying interest, as major banks' equity financing announcements were taken as a sign that negatives have played out.
- In the latter half, proposals for tougher financial regulations and monetary tightening in China led stocks downwards. In addition, the yen appreciated further, adding to the selling pressure for the market.
- The best performing sector was marine transportation. Meanwhile, the worst performers were air transportation and rubber products.

High-Technologies and SMFG. Hitachi is expected to grow on the back of global infrastructural investments. Hitachi-High Technologies is expected to benefit from a rapid recovery of the SPE market.

- Large positive contributors to Fund performance were Sumitomo Corporation, Nidec and TDK. The main holdings that dragged on performance were Disco, Aishin Seiki and Terumo.

### Outlook

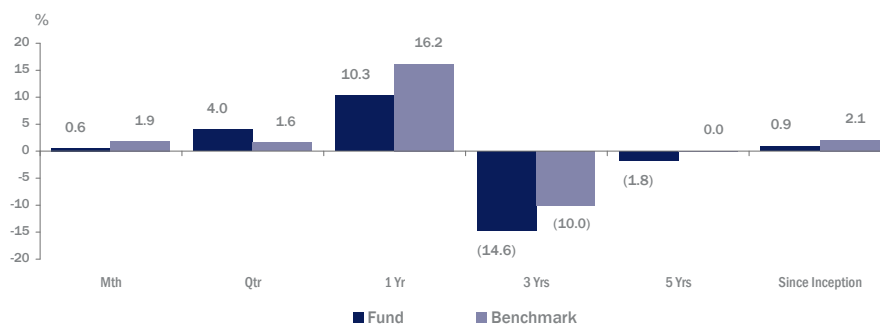
- In the short term, the market may consolidate due to concerns over tightening monetary policy in China and the introduction of further financial regulation. However, corporate earnings appear to be recovering, which will drive stocks upward in the mid term. We maintain our overweight in cyclical stocks.

### Fund Activity

- The Fund sold positions in Japan Steel Works and Toyota Boshoku, using the proceeds to purchase Hitachi, Hitachi

## PERFORMANCE

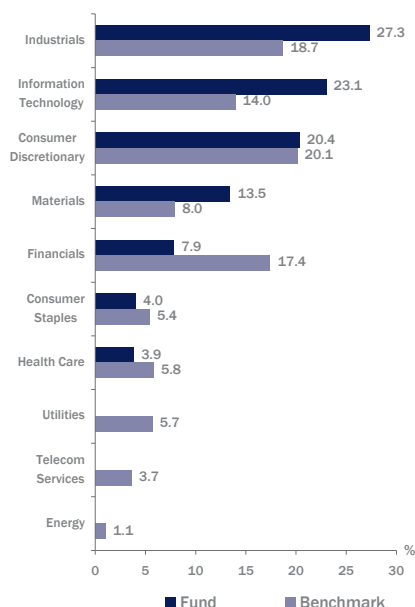
For periods ending 31 January 2010



Calendar Year	Fund %	Benchmark %	Difference %
2010 YTD	0.6	1.9	(1.3)
2009	(0.6)	6.3	(6.9)
2008	(36.2)	(29.2)	(7.0)
2007	(4.7)	(4.2)	(0.5)
2006	(0.0)	6.2	(6.2)

Fund: AIG Japan New Horizon Fund Class 'A' Units  
 Benchmark: MSCI Japan 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.

## SECTOR WEIGHTS



Fund: AIG Japan New Horizon Fund  
 Benchmark: MSCI Japan DTR Net  
 Asset allocations as at month end.

## TOP 10 HOLDINGS

Company	%
Honda Motor Co (JP)	4.9
Nidec Corporation (JP)	3.7
East Japan Railway Co (JP)	3.4
TDK Corp (JP)	3.3
Mitsubishi Corp (JP)	3.3
Tokyo Electron (JP)	3.3
Kubota Corp (JP)	3.3
Mitsui & Co (JP)	3.3
Denso Corp (JP)	3.1
Mitsubishi UFJ Financial Group (JP)	3.0
<b>Total</b>	<b>34.6</b>

## FUND STATISTICS

Fund Size	USD 129,454,442
NAV per Unit	USD 11.6858
Weighted Avg Mkt Cap (\$ M)	18,589
Number of Securities	50
Risk Free Rate	0.0
Sharpe Ratio (3yr)	(0.8)
Standard Deviation (3yr)	20.9
Information Ratio (3yr)	(0.6)
Tracking Error (3yr)	7.2
Alpha	(4.5)
Beta	1.0
R-Squared	88.4

[www.aiginvestments.com](http://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 Japan New Horizon 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 Japan New Horizon Fund plc ("the Company") following a scheme of amalgamation with the Company and was launched on 29 July 2005. AIG Investments Japan Co., 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 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. 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.

