

AIG JAPAN SMALLER COMPANIES PLUS FUND

31 October 2009

OBJECTIVE

AIG Japan Smaller Companies Plus Fund ('the Fund') seeks to achieve capital growth by investing at least two-thirds of its assets in small to medium sized Japanese companies, whose capitalisation at the time of purchase is within the market cap range of the MSCI Japan Small & Mid Cap Net Index.

FUND FACTS

Domicile & Type	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
Inception Date of Class	28 Sep 2006
Inception Date of Predecessor Class	N/A
Benchmark	MSCI Japan SMID DTR Net (see footnote) (JPY)
Base Currency	USD
Class	Y3
Class Currency	JPY
Minimum Investment	JPY 125,000,000
Management Fee	1.00%
Listing & Dealing	Unlisted / Daily
Distribution Policy	Income and capital gains may be distributed
ISIN Number	IE00B1D7Y917
Portfolio Manager(s)	Noriko Umino / Midori Katsumi
Investment Manager(s)	AIG Investments Japan Co., Ltd.
Legal Manager	AIG Investments Fund Management Ltd.
Authorised for Public Distribution In	Austria, Finland, France, Germany, Hong Kong, Italy, Luxembourg, Netherlands, Spain, Sweden, Taiwan (ROC), United Kingdom
Regulated By	Financial Regulator in Ireland
Morningstar Rating™	★★★

COMMENTARY

Market Review

- The Japanese small cap market continued to fall in October. Positive earnings progress in the third quarter, as well as upward revisions for FY09, was mostly taken for granted. The majority of companies kept their full year earnings forecasts unchanged due to the high targets set for the October to March recovery.
- By sector, autos and metals gained due to rising production levels, though there was a lack of direction elsewhere.

- We made several switches in the Fund by adding stocks with improving fundamental progress and earnings revisions, and bought out of stocks with poor short term earnings progress.

Outlook

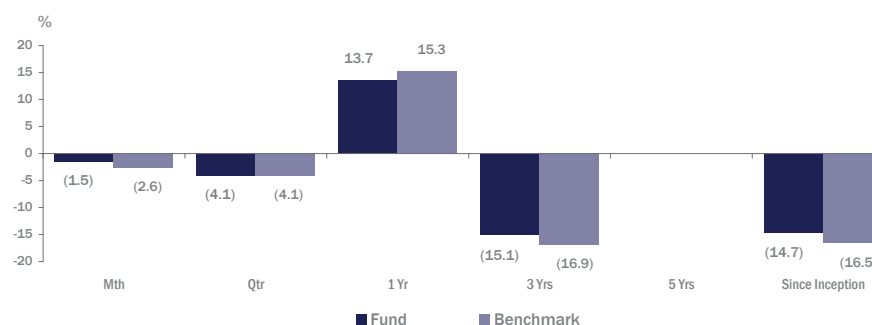
- The macro and micro economy are both in recovery mode, but the month on month recovery seems generally moderating due to a lack of additional surprises.
- Valuations are neutral to slightly positive with the price to book of the Russell/Nomura Small Index at 0.95x. Therefore, we will continue to balance our Fund and search for hidden surprises at the individual stock level through our bottom up stock picking process.

Fund Activity

- The Fund outperformed in October with contributions from stock selection supported by positive earnings revisions among some of the stable high growth stocks in the Fund.

PERFORMANCE

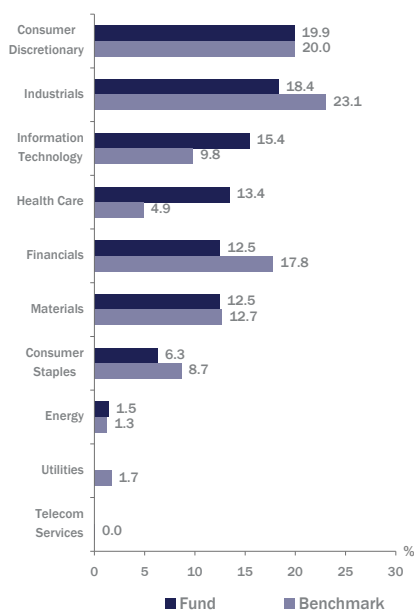
For periods ending 31 October 2009



Calendar Year	Fund %	Benchmark %	Difference %
2009 YTD	9.9	9.4	0.5
2008	(37.3)	(37.3)	0.0
2007	(11.3)	(16.9)	5.6
2006	N/A	N/A	N/A
2005	N/A	N/A	N/A

Fund: AIG Japan Smaller Companies Plus Fund Class 'Y3' Units
 Benchmark: MSCI Japan SMID DTR Net (see footnote) (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 Japan Smaller Companies Plus Fund
 Benchmark: MSCI Japan SMID DTR Net (see footnote) (JPY)
 Asset allocations as at month end.

TOP 10 HOLDINGS

Don Quijote Co Ltd (JP)
Kakaku.Com. Inc (JP)
Pigeon Corp (JP)
Osaka Securities Exchange (JP)
FP Corp (JP)
T-Gaia Corporation (JP)
Lintec Corp (JP)
Koito Manufacturing Co Ltd (JP)
Unicharm Petcare Corp (JP)
Nomura Real Estate Hold (JP)

Total

%

3.3
3.0
3.0
2.9
2.8
2.4
2.2
2.2
2.0
2.0

25.8

FUND STATISTICS

Fund Size	USD 40,158,238
NAV per Unit	JPY 879.1898
Weighted Avg Mkt Cap (\$ M)	1,357
Number of Securities	74
Risk Free Rate	0.0
Sharpe Ratio (3yr)	N/A
Standard Deviation (3yr)	N/A
Information Ratio (3yr)	N/A
Tracking Error (3yr)	N/A
Alpha	N/A
Beta	N/A
R-Squared	N/A

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 to all times to the terms and conditions as set out therein. AIG Japan Smaller Companies Plus Fund: From inception to 30 Jun 2008, the benchmark was the MSCI Japan Small Cap Daily Total Return Net Index. From 1 Jul 2008, the benchmark was changed to MSCI Japan SMID Daily Total Return Net Index. AIG Japan Smaller Companies Plus 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 © 2009 Morningstar, Inc. All Rights Reserved. Morningstar Rating as of 31 Oct 2009, in the JAPAN SMALL/MID-CAP 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.

