

# AIG LATIN AMERICA SMALL & MID CAP FUND

31 October 2009

## OBJECTIVE

AIG Latin America Small & Mid Cap Fund ('the Fund') seeks to achieve capital growth by investing in small to medium sized companies whose assets, products or operations are based in Latin America.

## FUND FACTS

<b>Domicile &amp; Type</b>	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
<b>Inception Date of Class</b>	5 Mar 2007
<b>Inception Date of Predecessor Class</b>	N/A
<b>Benchmark</b>	MSCI EM Latin America Small Cap 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% since 1 Jul 2008
<b>Listing &amp; Dealing</b>	Irish Stock Exchange / Daily
<b>Distribution Policy</b>	Income and capital gains may be distributed
<b>ISIN Number</b>	IE00B1RM6L88
<b>Portfolio Manager(s)</b>	Stacy Steimel
<b>Investment Manager(s)</b>	AIG Global Investment Corp. / AIG Global Investment Corp. (Latin America) S.A.
<b>Legal Manager</b>	AIG Investments Fund Management Ltd.
<b>Authorised for Public Distribution In</b>	Finland, France, Germany, Hong Kong, Italy, Taiwan (ROC), United Kingdom
<b>Regulated By</b>	Financial Regulator in Ireland

## COMMENTARY

### Market Review

- During October, Latin American small cap equities rose twice as much as their large cap and regional counterparts, with Chile and Brazil outperforming in the region.
- IPO and secondary activity continued to dominate capital markets, although they were concentrated in the large cap sector. Early third quarter results suggest that 2010 will be a strong year for corporate earnings.
- Secondary financial institutions began to rebound in Brazil as the market became more positive on payroll and auto lending. ANFAVAC numbers continue to reveal strong domestic auto sales which were 23% higher than 2008.

- In Colombia, we took profits on an oil and gas junior and stayed on the sidelines as the market anticipated that Colombia would also implement capital controls.

### Outlook

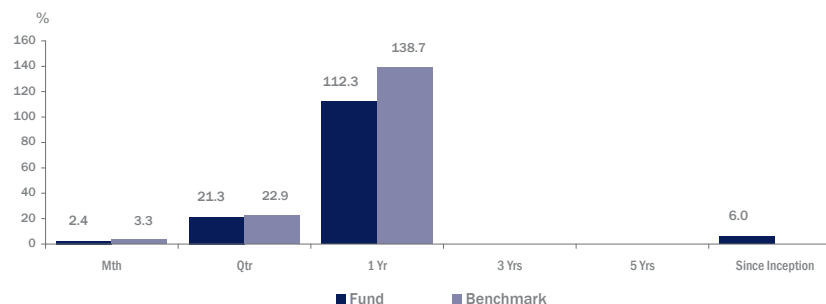
- The victory of the Brazilian bid for the 2016 Olympic games in Rio, following on the heels of the World Cup in 2014, should be a significant event for the logistics, industrial and transport sectors in Brazil.
- We continue to be very positive on the prospects for Latin America. The Fund is geared to take advantage of the rebound in domestic consumption and industrials focused on infrastructure development in the region.

### Fund Activity

- We added to our largest overweight in industrials, playing very attractive long term trends, which also include the development of pre-salt oil assets.

## PERFORMANCE

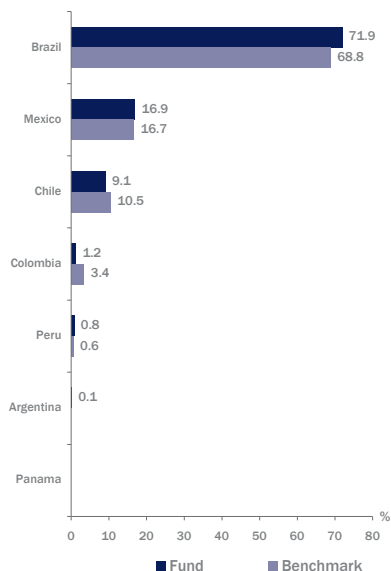
For periods ending 31 October 2009



Calendar Year	Fund %	Benchmark %	Difference %
2009 YTD	112.6	137.0	(24.4)
2008	(59.7)	(60.9)	1.2
2007	N/A	N/A	N/A
2006	N/A	N/A	N/A
2005	N/A	N/A	N/A

Fund: AIG Latin America Small & Mid Cap Fund Class 'A' Units  
 Benchmark: MSCI EM Latin America Small Cap 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.

## COUNTRY ALLOCATION



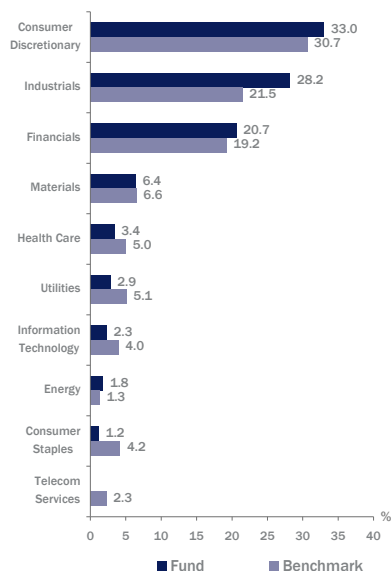
## TOP 10 HOLDINGS

Company Name	%
BR Malls Participacoes SA (BR)	4.1
Lojas Renner SA (BR)	3.9
Anhanguera Educacional Participacoes SA (BR)	3.8
LLX Logistica Sa (BR)	3.3
PDG Realty SA Empreendimentos e Participacoes (BR)	3.2
Parque Arauco SA (CL)	3.2
Cia de Saneamento de Minas Gerais (BR)	2.9
Lupatech SA (BR)	2.8
Marisa SA (BR)	2.8
Gol Linhas Aereas Inteligentes (BR)	2.8
<b>Total</b>	<b>32.8</b>

## FUND STATISTICS

Fund Size	USD 50,221,383
NAV per Unit	USD 13.6673
Weighted Avg Mkt Cap (\$ M)	1,379
Number of Securities	52
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

## SECTOR WEIGHTS



Fund: AIG Latin America Small & Mid Cap Fund  
 Benchmark: MSCI EM Latin America Small Cap DTR Net  
 Asset allocations as at month end.

[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. The benchmark for AIG Latin America Small & Mid Cap Fund is MSCI EM Latin America Small Core which launched on 01 June 2007. AIG Latin America Small & Mid Cap 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 'A' in U.S. Dollars. 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.

