

AIG SOUTHEAST ASIA SMALL & MID CAP FUND

30 September 2009

OBJECTIVE

The AIG Southeast Asia 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 South East Asia, with at least two-thirds of investments in companies whose market capitalisation at the time of purchase is less than USD 5 billion.

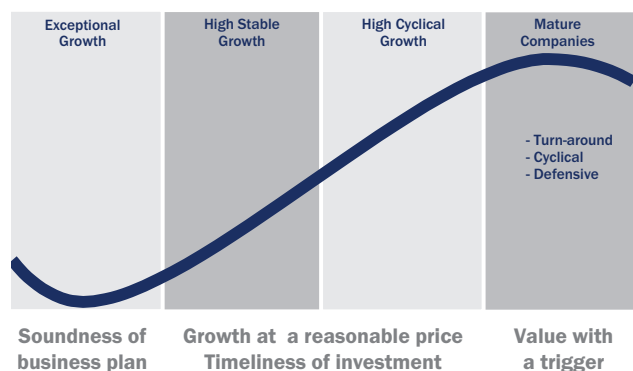
INVESTMENT APPROACH

We believe that, neither growth nor value investment styles will consistently outperform the other over time. Instead, we believe a dynamic investment process is needed which can keep pace with the evolution of a company's fundamental characteristics such as earnings growth and focus on key investment criteria that are specific to categories that reflect where a company is in its life cycle. Such an investment philosophy does not restrict our investment universe to either growth or value companies but depends on how a company has been categorised, which then determines how it will be analysed to assess its investment attractiveness.

Key features

- Consistent, disciplined, research-driven process
- Replicable across different markets and regions
- Active management with a focus on bottom-up stock selection
- Analysis of companies using criteria appropriate to their stage of development
- Strong sell discipline which removes behavioural biases

DYNAMIC CATEGORISATION



The investment process for the Fund begins with an initial investment universe of approximately 1,600 companies. Fund managers and analysts assign each company to one of four broad categories that best reflects its fundamental earnings growth characteristics and stage of development. Following the assignment of a category, in-depth fundamental analysis begins and focuses on analytical criteria specific to that particular category. Additionally, there are several company meetings conducted each year, and are considered a key part of the investment process.

Key factors that we focus on include

- Quality of management
- Core niche businesses
- Sustainability of earnings
- Cash flow generation

Analysts then prepare a detailed report stating the investment case and assign a final recommendation by ranking a company from 1 (strong buy) to 5 (strong sell) based on category-specific valuation and performance triggers. This research is stored within our proprietary database and is available to all fund managers and analysts. This ensures that company information is documented and communicated consistently on a global basis. Investment candidates are discussed within the team, however the final decision lies with the lead fund manager. Once a buy decision has been made, the weighting is determined based on liquidity, development category and risk assessment. The Fund typically holds 60 - 80 companies.

Portfolio construction is also comprised of top-down country selection. As political and macro-economic variables can be fluid in emerging markets, they must be monitored regularly. On a quarterly basis, the Asia ex Japan equity team conducts a formal top-down assessment by analysing economic, financial and political variables for each country. This analysis results in the ranking of individual countries.

A key feature of the equity process is the use of a 'Suspect List' which underpins our strong sell discipline and serves to reduce behavioural biases and over-confidence in companies. The List is compiled monthly with discussions focusing on the top 5 and bottom 10 performers. Companies must fulfil at least 2 out of 4 technical and fundamental criteria to be ranked as a 'Suspect'.

The team reviews the list of suspect companies with a senior investment professional who is not a member of the team and a decision is made whether to hold or sell. Price targets are also reviewed when a company is within 10% of its original target as part of our sell discipline.

Risk management is a key component of our approach to investment with internal risk controls fully integrated into the process. We believe that one of the best ways to manage risk is to invest in quality companies, and to ensure that portfolios do not become too concentrated in a company, sector or development category. Portfolios are also regularly monitored by a dedicated compliance team.

FUND MANAGERS

	Location	Joined Firm	Yrs Experience
Elizabeth Soon Lead Fund Manager	Hong Kong	2008	21
Peter Soo Fund Manager	Hong Kong	1989	24

INVESTMENT GUIDELINES¹

- Security weight up to a max. of 10% of NAV
- Sector limits +/- 15%
- Target tracking error 9 - 11% per annum²
- Benchmarked against the MSCI Asia Pacific ex Japan Small Index

¹ Please note that the Investment Guidelines shown are internal guidelines applied by AIG Investments. The investment objective, policy and investment restrictions applicable to the Fund are set out in detail in the Prospectus and Simplified Prospectus.

² This is a range and there is no assurance that the target or range will be met.

www.aiginvestments.com

All information as of 30 September 2009 unless noted otherwise. We are not soliciting or recommending any action based on this material. Information is subject to change based on criteria decided upon by the Investment Manager or depending on market conditions. 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 Southeast Asia Small & Mid Cap Fund (the "Fund") is a subfund of AIG Global Funds, an Irish domiciled UCITS III umbrella fund, authorised and regulated by the Financial Regulator in Ireland. AIG Global Investment Corporation (Asia) Ltd. is the Investment Manager to the Fund. 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. 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 is a group of international companies that provide investment advice and market asset management products and services to clients around the world. AIG Investments is a registered mark of American International Group, Inc. (AIG). Services and products are provided by one or more affiliates of AIG. Issued by: AIG Investments Fund Management Ltd, 30 North Wall Quay, Dublin 1, Ireland. Phone: 353-1-6720222. Facsimile: 353-1-6720267.

