

AIG Global Funds

Sub-fund of Irish domiciled open-ended unit trust

Report Issued: December 2007

Peer Group:

SEA Smaller Companies

Fund Manager/Adviser:

Ming Hsu (since launch)

Location:

Hong Kong

Launch Date: September 1994

Fund Size (October 2007):

US\$126m

Group Contact No:

+ 353 1 853 8036

Website:

www.aiggig.com

S&P ID Number: OS309937

Share class screened:

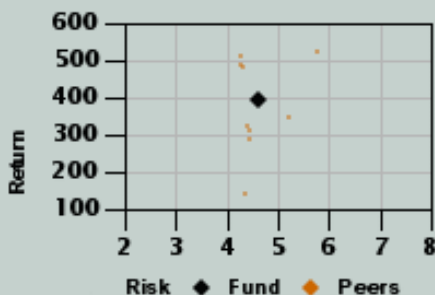
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INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

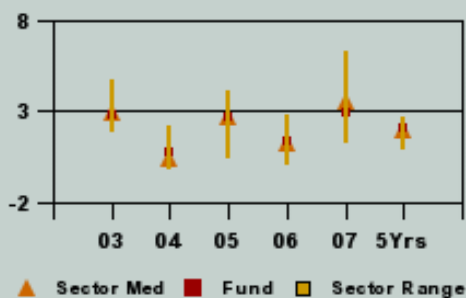
RISK RETURN (STD DEVIATION) OVER 5 YEARS



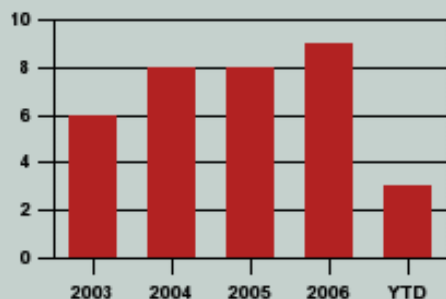
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Low	-9.8
Volatility	Medium	14.7
Correlation	Medium	0.9
Beta	Medium	0.9

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Please see page 2 for required research analyst certification disclosure.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

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STANDARD & POOR'S OPINION (DECEMBER 2007)

The recent downturn in relative returns has not been reflected in a ratings downgrade. The fund has underperformed its benchmark by some 20% year-to-date - up 30% against an index up 50% - but the benchmark is an all-cap index and this is a consistently small-cap fund investing only in companies capitalised at between \$100m and \$1.5bn. Outperformance in previous years, against both the index and most of the peer group, has also reflected the fund's small companies mandate.

Ming Hsu is a one of the most highly experienced managers of Asian small-cap portfolios and not one to take a sudden change in direction simply to meet the latest market moves. She has managed this fund for over 13 years through a wide range of market conditions, during which her style has remained

remarkably consistent in its use of broad top-down themes to guide bottom-up fundamentals-based stock selection within a small-cap universe.

Detailed research drives this portfolio, whether undertaken by Ming Hsu herself or by any of the other 25 managers and analysts that AIG has based throughout the Asia Pacific region. Her use of four categories of company - exceptional growth, stable growth, cyclical growth and mature companies with a catalyst - enables her to find investment ideas in both growth and value markets, which is reflected in the fund's remarkably consistent track record.

This solid track record from an experienced fund manager with proven flair and strong team support, provides a solid basis for the fund's S&P AA rating.

FACT FILE

Group: AIG Global Investment Group (AIGGIG) is the asset management subsidiary of AIG, one of the largest insurance and financial services groups in the world. AIGGIG has assets under management in excess of \$650bn and employs over 450 investment professionals in 44 asset management offices worldwide.

Team: AIG has one manager, Ming Hsu, in Hong Kong responsible for this strategy. She is supported by 26 investment professionals in the region, led by Peter Soo.

Fund Manager: Ming Hsu joined AIGGIG in 1994 as head of Asian small-cap investment, following four years of managing money at Jardine Fleming.

Style: This is a portfolio of 60-80 perceived high quality mid-/small-cap growth companies, diversified by both sector and across the region. The process uses top-down themes to guide stock selection.

Performance: Over the five years to 28/09/2007, the fund has returned 395.2%, compared with 369.9% for the sector median and 469.4% for the index, ranking 5/10.

FUND MANAGER & TEAM

Ming Hsu is based in Hong Kong from where she manages the group's Asian mid-/small-cap strategy. She conducts a lot of her own research, but also has the support of the group's two-strong Asia ex-Japan equity team, led by Peter Soo and based in 10 centres throughout Asia.

Ming Hsu manages over \$300m to this strategy and more than \$800m in Greater China and Australia all-cap funds. Deputy head of South East Asia Cheri Wong backs up on all her mandates.

Ming Hsu - BSc (Bartlett School of Architecture, University of London), began her investment career in 1990 at Jardine Fleming where she managed the JF Asian Realty Fund. Moved to AIGGIG in 1994 as head of SE Asia small-cap equity assets.

Peter Soo - head of South East Asia EQUITY - accounting & finance (Auckland Technical Institute), chartered accountant, joined AIGGIG in 1989 with four years' investment experience running New Zealand equities. Now responsible for regional portfolio management and strategic asset allocation in SE Asia.

PORTFOLIO CHARACTERISTICS

No. of holdings	76
Turnover ratio (%)	N/A
% in top 10	23

TOP 10 HOLDINGS (01/10/07)

	%
Jinsung Tecgnologies	2.9
AAC Acoustic Technologies	2.6
Pacific Basin Shipping	2.6
China Bluechemical	2.4
China Huiyuan Juice	2.4
JB Hi-Fi	2.3
Sarawak Energy Ber	2.3
Jiutian Chemical	1.9
JVM	1.9
Muhibbah Engineering	1.9

* In top 10 holdings a year ago

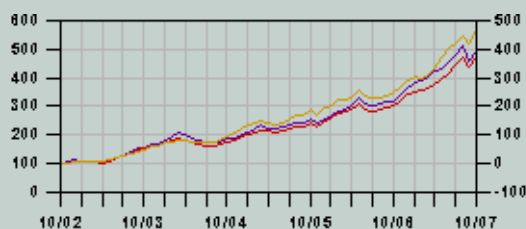
ALLOCATION BREAKDOWN (01/10/07)

	Fund %
Australia	9
China	18
Hong Kong	14
Indonesia	2
Korea	17
Malaysia	8
Philippines	1
Singapore	15
Taiwan	13
Thailand	1
Others	2
Cash	-

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	166.2%	395.2%
Standard & Poor's Peer Median	166.9%	369.9%
Index**	192.6%	469.4%
Fund Rank	9/16	5/10
Standard Deviation	14.7	-
Relative Standard Deviation	0.9	-
Volatility Adjusted Ranking	9/16	-

CUMULATIVE PERFORMANCE



— S&P/Citi EMI Asia Pac x Japan! — Fund

Units III permits net fund exposure to be less or greater than 100%.

AIG GLOBAL FUNDS - AIG SOUTHEAST ASIA SMALL COMPANIES FUND

Peer Group: SEA Smaller Companies



MANAGEMENT STYLE

• This mid/small-cap fund targets consistent outperformance of the S&P/Citigroup SE Asia & China Extended Market index within a cautious risk/return profile.

• While guided by top-down themes - often with an ethical bias - returns are driven largely by stock selection based on positive earnings growth and reasonable valuations in terms of P/E and price-to-book ratios.

• Companies capitalised \$100m-\$1.5bn are screened for liquidity and earnings growth within one of four growth categories, each with its own criteria and weighting limits.

• Of these, exceptional growth focuses on young companies and emphasises business

plans and management. It cannot represent more than 10% of assets and single stocks have a 1.5% limit. High stable growth and high cyclical growth emphasise Garp criteria, with cyclicals having an added timeliness factor. The fourth category, mature companies, uses criteria reflecting value with a catalyst.

• Shortlisted names undergo more analysis and company visits.

• Hsu targets 60-80 holdings of 1-3%, with a 5% maximum. Region and sector bets are limited to index +/-10%, leading to a tracking error of around 10%. Sell disciplines reflect prices and fundamentals.

PORTFOLIO REVIEW

Since fund performance started to trend down after around May of this year, Ming Hsu has focused on ensuring that the portfolio actually does promote her very best stock ideas.

The number of holdings has been reduced from 84 to 76, largely by selling peripheral positions since the top 10 concentration has held at around 23% of assets.

The key moves at country level, have been the reduction in last year's massive underweight in Korea, now 17% of total portfolio assets against an index 27%; the

rise in exposure to China from 7% to a current 18% of assets; and Singapore's return to prominence with a 15% position against just 9% in the index.

At sector level, the main switch has been in raising exposure to financials from around 7% to 15%, but still well under their 22% weighting in the index. Consumer discretionary stocks are still heavily overweight relative to the fund's benchmark at index plus 8%. Energy is overweight; materials and industrials are underweight.

PERFORMANCE ANALYSIS (OCTOBER 2007)

Despite the turndown in relative returns over the last six months this fund has a solid longer term track record, against both its S&P/Citigroup South East Asia & China Extended Market index and the S&P peer group.

Performance within our peer group, has reflected the fund's consistent mid-/small-cap nature and - since 2004 - the fund's ability to invest in Australia. Cumulative returns rank top decile over both three and five years and compare favourably with the few small-cap Asian funds in our universe.

Success has come from the manager applying a highly consistent approach in line with the group's other equity mandates worldwide, using top-down guidelines to focus detailed bottom-up company research geared to company life cycles.

Recent stock successes have included K Wah International Holdings and Jiutian Chemical Group. Positive contributions in 2006 included Raffles Education, Sino Gold, Xinyi Glass and Sembawang Kimtrans.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2003		2004		2005		2006		YTD 28/09/2007	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	69.1	5/10	14.0	4/12	30.0	4/16	43.0	4/24	28.2	24/32
Index**	65.3		35.4		30.8		31.3		41.4	
Median	68.8		8.5		27.9		34.4		38.8	

** S&P/Citi EMI Asia Pac x Japan!

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