

AIG EMERGING MARKETS BOND FUND

31 October 2009

OBJECTIVE

AIG Emerging Markets Bond Fund ('the Fund') seeks to achieve income and capital appreciation by investing in fixed income instruments issued primarily by governments, their agencies, local authorities and corporate entities in Latin America, Emerging Europe, Asia, the Middle East and Africa.

FUND FACTS

Domicile & Type	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
Inception Date of Class	7 Apr 2006
Inception Date of Predecessor Class	15 Apr 1994 *
Benchmark	JP Morgan Emerging Markets Bond Index+ (see footnote)
Base Currency	USD
Class	Y
Class Currency	USD
Minimum Investment	USD 1 million
Management Fee	0.75%
Listing & Dealing	Unlisted / Daily
Distribution Policy	Income and capital gains may be distributed
ISIN Number	IE0000376446
Portfolio Manager(s)	Rajeev Mittal / Anders Faergemann / Steve Cook
Investment Manager(s)	AIG Investments Europe Ltd.
Legal Manager	AIG Investments Fund Management Ltd.
Authorised for Public Distribution In	Austria, Belgium, Finland, France, Germany, Hong Kong, Italy, Luxembourg, Netherlands, Singapore, Spain, Sweden, Taiwan (ROC), United Kingdom
Regulated By	Financial Regulator in Ireland

*Refer to footnotes

COMMENTARY

Market Review

- The EMBI+ finished October at +316 over treasuries only 13 basis points tighter than the previous month's close, after trading inside that spread during most of the month.
- Local markets did well in the first half of October, but gave back most of the gains in the last week of the month as the US dollar bounced back on concerns the US Federal Reserve was coming closer to announcing its plan for an exit strategy of its accommodative monetary policy.

Fund Activity

- The Fund gave up some gains in the last few days of the month with the reversal of the US dollar after having built a position in local markets as the long end of the external debt market had started to look a bit expensive.

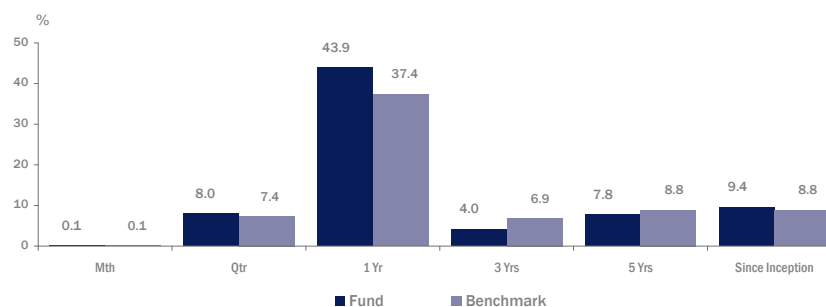
- The Fund made gains over the month from investing in Ukraine and Venezuela opportunistically.

Outlook

- Inflows are still the dominating factor in predicting the direction of the asset class. As fundamentals remain positive, it matters less that valuations are perhaps slightly stretched, if inflows continue pour in.
- Given the recent bounce in the US dollar, local markets offer a decent alternative to tight spreads in external debt markets as emerging market central banks are likely to keep interest rates low for an extended period.

PERFORMANCE

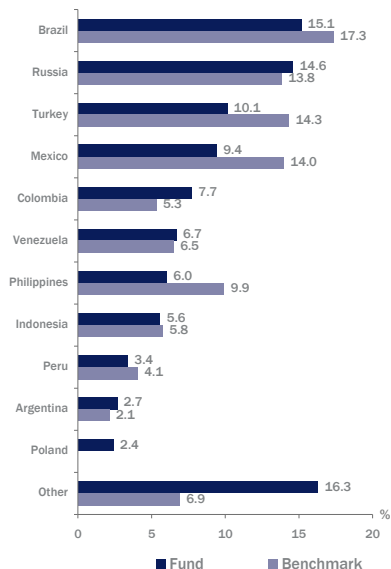
For periods ending 31 October 2009



Calendar Year	Fund %	Benchmark %	Difference %
2009 YTD	26.4	24.4	2.0
2008	(16.5)	(9.7)	(6.8)
2007	3.8	6.5	(2.7)
2006	12.7	10.5	2.2
2005	12.7	11.9	0.8

Fund: AIG Emerging Markets Bond Fund Class 'Y' Units
 Benchmark: JP Morgan Emerging Markets Bond Index+ (see footnote)
 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



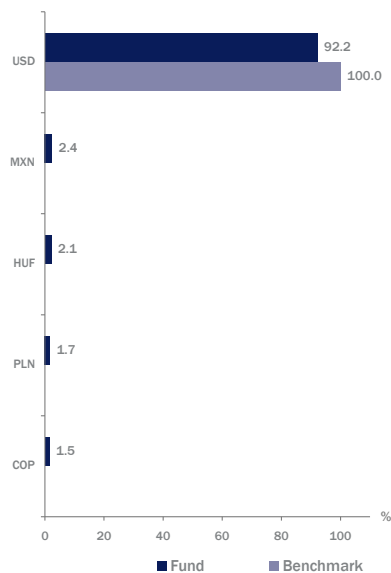
TOP 10 HOLDINGS

Percentage	Country	Date	%
7.50%	Russia	31/Mar/2030 (RU)	12.9
11.875%	Turkey (Rep Of)	15/Jan/2030 (TR)	2.6
8.75%	Brazil (Fed Rep)	04/Feb/2025 (BR)	2.6
7.50%	Turkey (Rep Of)	07/Nov/2019 (TR)	2.1
6.625%	Indonesia (Rep Of)	17/Feb/2037 (ID)	2.1
8.00%	Brazil (Fed Rep)	15/Jan/2018 (BR)	2.0
11.625%	Indonesia (Rep Of)	04/Mar/2019 (ID)	1.9
7.00%	Turkey (Rep Of)	05/Jun/2020 (TR)	1.9
8.875%	Brazil (Fed Rep)	14/Oct/2019 (BR)	1.9
5.95%	United Mexican STS	19/Mar/2019 (MX)	1.9
Total			31.9

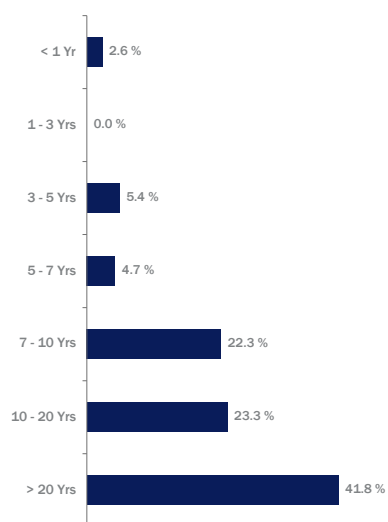
FUND STATISTICS

Fund Size	USD 148,146,630
NAV per Unit	USD 173.4524
Number of Securities	80
Average Coupon (%)	7.6
Average Duration	7.3
Average Yield to Maturity	6.8
Standard Deviation (3yr)	16.6
Information Ratio (3yr)	(0.6)
Tracking Error (3yr)	4.9
Alpha	(3.7)
Beta	1.4
R-Squared	98.1

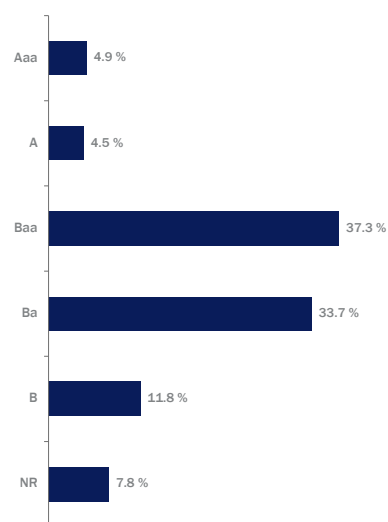
CURRENCY ALLOCATION



MATURITY PROFILE



PORTFOLIO QUALITY



Fund: AIG Emerging Markets Bond Fund
 Benchmark: JP Morgan Emerging Markets Bond Index+ (see footnote)
 Asset allocations as at month end.

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. AIG Emerging Markets Bond Fund: From inception to 1 Jan 1998, the benchmark was the USD 1 mth Libor. From 1 Jan 1998, the benchmark was changed to the JP Morgan Emerging Markets Bond Index+(USD). AIG Emerging Market Bond 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 Emerging Market Bond Fund plc (the "Company") following a scheme of amalgamation with the Company and was launched on 7 April 2006. AIG Investments Europe 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 'Y' in U.S. Dollars of the Company up to 7 April 2006, 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.

