

AIG EMERGING MARKETS LOCAL CURRENCY BOND FUND

31 October 2009

OBJECTIVE

AIG Emerging Markets Local Currency Bond Fund ('the Fund') seeks to achieve income and capital appreciation by investing at least two-thirds of its total net assets in local currency fixed instruments issued by sovereign or quasi-sovereign or corporate entities in regions including Latin America, Emerging Europe, Asia, Middle East, Africa and Russia.

FUND FACTS

Domicile & Type	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
Inception Date of Class	29 Nov 2006
Inception Date of Predecessor Class	N/A
Benchmark	JP Morgan GBI-EM Diversified
Base Currency	USD
Class	Y
Class Currency	USD
Minimum Investment	USD 1 million
Management Fee	1.00%
Listing & Dealing	Unlisted / Daily
Distribution Policy	Income and capital gains may be distributed
ISIN Number	IE00B1L2RP52
Portfolio Manager(s)	Rajeev Mittal / Anders Faergemann
Investment Manager(s)	AIG Investments Europe Ltd.
Legal Manager	AIG Investments Fund Management Ltd.
Authorised for Public Distribution In	Singapore, Taiwan (ROC), United Kingdom
Regulated By	Financial Regulator in Ireland

COMMENTARY

Market Review

- Emerging markets rose sharply in the first half of the month, but gave back most of those gains in the last week of the month as the liquidity fuelled rally was dampened by fears that the US Federal Reserve was getting closer to a reversal in its accommodative monetary policy.
- A number of emerging market currencies, including the Colombian peso and the South African rand, reversed their gains in the second half of October as it became clear that the local policymakers were planning ways to use increased regulations to prevent further currency appreciation amid fears too strong a domestic currency could dampen the economic recovery.

- We maintain an overweight in Brazil, Columbia, and South Africa.

Outlook

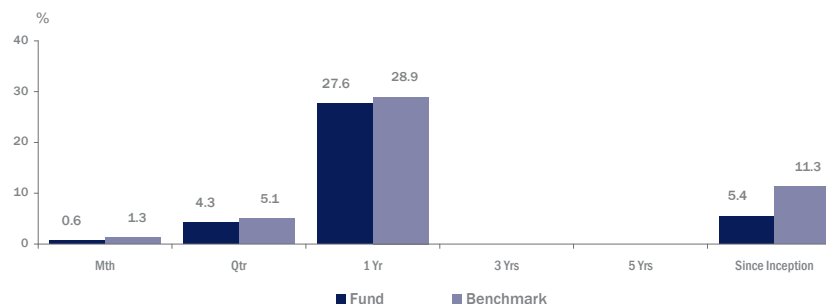
- The inflows into emerging markets are continuing at a remarkable pace. Combined with the weaker US dollar, emerging market currencies are likely to remain strong in spite of efforts by emerging market policymakers to try and stem further currency appreciation.

Fund Activity

- The Fund shifted from a defensive to a more pro risk stance taking the view that flows will continue to move into the asset class.

PERFORMANCE

For periods ending 31 October 2009

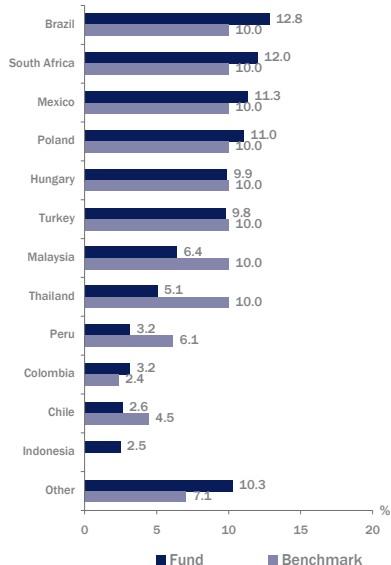


Calendar Year	Fund %	Benchmark %	Difference %
2009 YTD	20.2	18.6	1.6
2008	(14.0)	(4.6)	(9.4)
2007	11.7	17.7	(6.0)
2006	N/A	N/A	N/A
2005	N/A	N/A	N/A

Fund: AIG Emerging Markets Local Currency Bond Fund Class 'Y' Units
Benchmark: JP Morgan GBI-EM Diversified

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



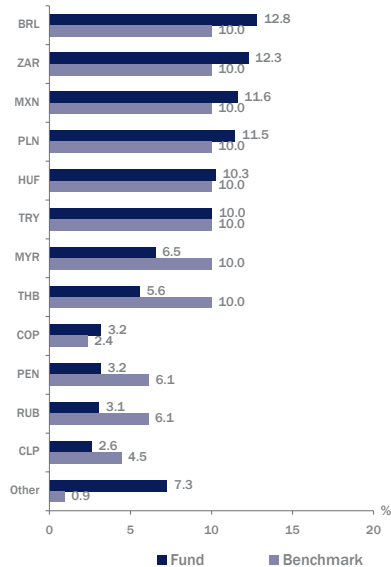
TOP 10 HOLDINGS

Percentage	Country (Rep)	Date	%
10.00%	Brazil (Fed Rep)	01/Jan/2012 (BR)	7.7
10.50%	South Africa (Rep)	21/Dec/2026 (ZA)	5.5
7.75%	Mexico United Mexican Sts	14/Dec/2017 (MX)	5.4
6.75%	Hungary (Govt of)	24/Feb/2017 (HU)	5.0
5.25%	Poland (Govt of)	25/Oct/2017 (PL)	4.1
13.50%	South Africa (Rep)	15/Sep/2015 (ZA)	3.8
5.00%	Poland (Govt of)	24/Oct/2013 (PL)	3.6
10.00%	Turkey (Govt of)	15/Feb/2012 (TR)	3.4
5.75%	Poland (Govt of)	25/Apr/2014 (PL)	3.1
5.094%	Malaysia (Govt of)	30/Apr/2014 (MY)	2.9
Total			44.5

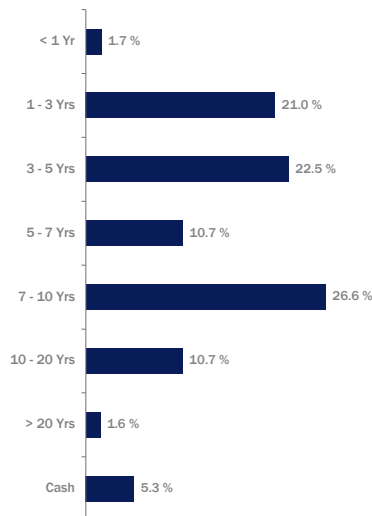
FUND STATISTICS

Fund Size	USD 351,535,864
NAV per Unit	USD 107.3458
Number of Securities	48
Average Coupon (%)	8.7
Average Duration	4.6
Average Yield to Maturity	8.9
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

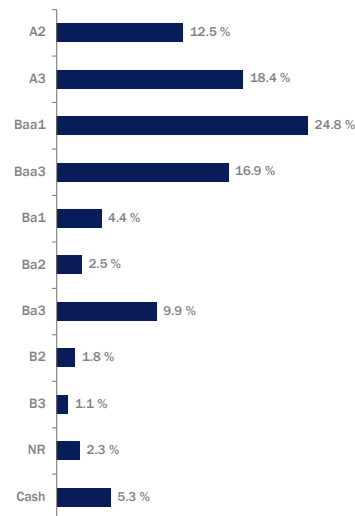
CURRENCY ALLOCATION



MATURITY PROFILE



PORTFOLIO QUALITY



Fund: AIG Emerging Markets Local Currency Bond Fund
 Benchmark: JP Morgan GBI-EM Diversified
 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 Local Currency 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 performance presented herein is representative of Class 'Y' 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.

