

AIG EMERGING MARKETS LOCAL CURRENCY BOND FUND

31 January 2010

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
Morningstar Rating™	★★★

COMMENTARY

Market Review

- EM FX started the year strongly, having been lifted by a strong rush to add risk from the beginning of the year. However, as EM equity markets proceeded to fall through January this acted as a drag on overall risk sentiment, causing EM FX to weaken against the USD in the second half of the month.
- The CEEMEA currencies struggled amid the negative growth outlook for the euro zone, but the worst hit currency in the January pullback was last year's best performer, the Brazilian real.

Outlook

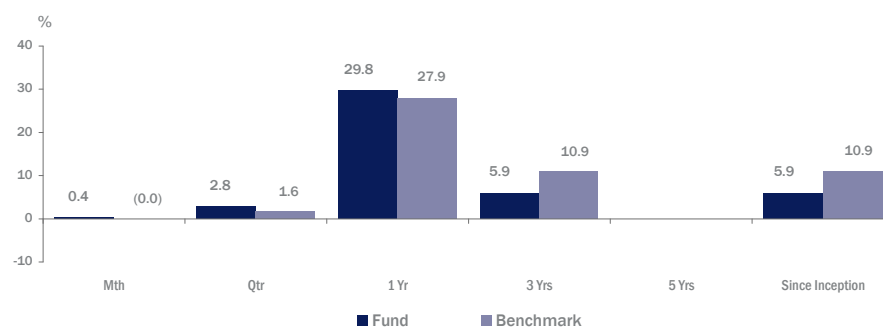
- In spite of the increased volatility we remain optimistic that emerging markets will bring good returns this year compared to developed markets. EM growth is more robust than in the developed world, with inflation remaining fairly contained and the yield differential expected to provide support for EM currencies over the course of the year. As a consequence, the Fund continues to run a core underweight in low yielding Asian FX markets, such as Thailand and Malaysia.

Fund Activity

- The Fund used the strength in the early part of the month to reduce exposure to Brazil, Turkey and Indonesia, opting to buy Hungary instead as the Hungarian forint slumped to the lower end of its 5 month range versus the US dollar.

PERFORMANCE

For periods ending 31 January 2010



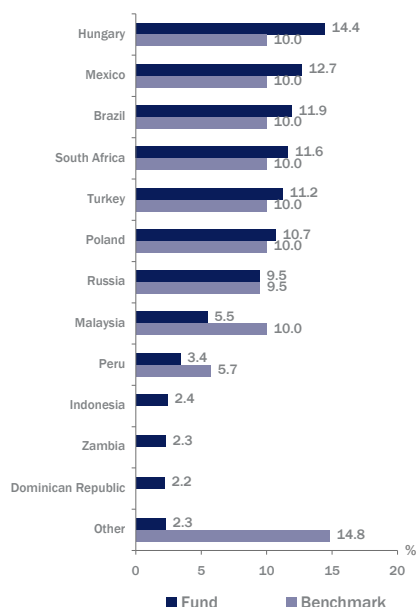
Calendar Year	Fund %	Benchmark %	Difference %
2010 YTD	0.4	(0.0)	0.4
2009	23.1	20.4	2.7
2008	(14.0)	(4.6)	(9.4)
2007	11.7	17.7	(6.0)
2006	N/A	N/A	N/A

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



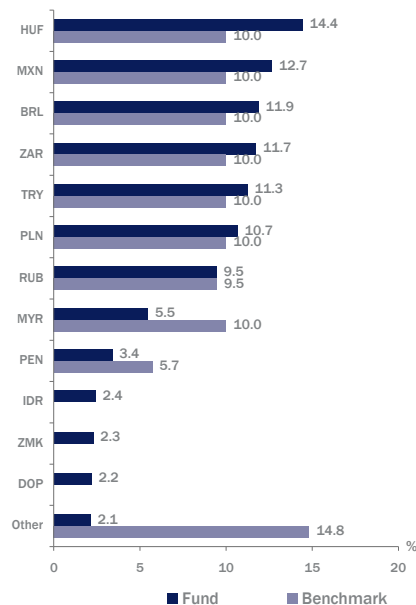
TOP 10 HOLDINGS

Percentage	Country	Government	Date	Code	%
6.75%	Hungary	Govt of	24/Feb/2017	(HU)	6.5
10.00%	Brazil	Fed Rep	01/Jan/2012	(BR)	5.6
7.75%	Mexico	United Mexican Sts	14/Dec/2017	(MX)	5.1
10.50%	South Africa	(Rep)	21/Dec/2026	(ZA)	4.9
8.00%	Hungary	Govt of	12/Feb/2015	(HU)	4.6
10.00%	Turkey	Govt of	15/Feb/2012	(TR)	4.6
13.50%	South Africa	(Rep)	15/Sep/2015	(ZA)	4.4
11.00%	Turkey	Govt of	06/Aug/2014	(TR)	4.2
5.00%	Poland	Govt of	24/Oct/2013	(PL)	4.0
9.50%	Mexico	United Mexican Sts	18/Dec/2014	(MX)	3.5
Total					47.4

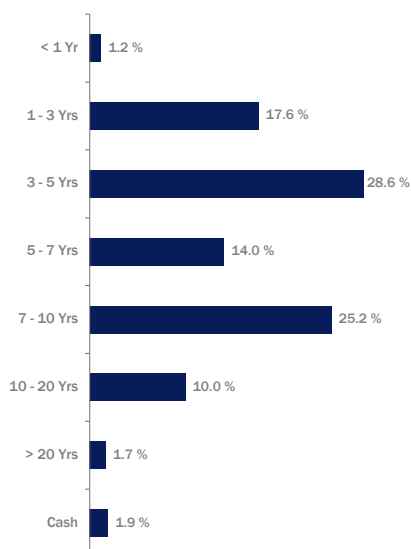
FUND STATISTICS

Fund Size	USD 337,200,287
NAV per Unit	USD 110.0238
Number of Securities	46
Average Coupon (%)	8.8
Average Duration	4.5
Average Yield to Maturity	10.7
Standard Deviation (3yr)	15.4
Information Ratio (3yr)	(1.1)
Tracking Error (3yr)	4.4
Alpha	(5.0)
Beta	1.1
R-Squared	92.6

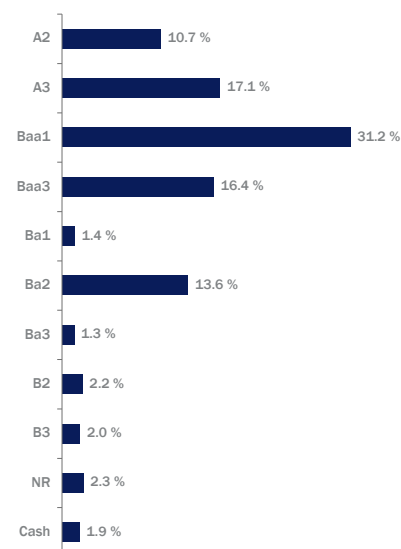
CURRENCY ALLOCATION



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 Jan 2010 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. Morningstar Rating™ Source: Morningstar Essentials™. Copyright © 2010 Morningstar, Inc. All Rights Reserved. Morningstar Rating as of 31 Jan 2010, in the EMERGING MARKETS BOND Morningstar Category. 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.

