

# AIG GLOBAL BOND FUND

31 October 2009

## OBJECTIVE

AIG Global Bond Fund ("the Fund") seeks to achieve income and capital appreciation by investing in a portfolio of fixed income securities denominated in a broad range of currencies.

## FUND FACTS

<b>Domicile &amp; Type</b>	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
<b>Inception Date of Class</b>	29 Jul 2005
<b>Inception Date of Predecessor Class</b>	1 Jan 1993 *
<b>Benchmark</b>	Citigroup World Govt Bond (Unhedged)
<b>Base Currency</b>	USD
<b>Class</b>	Y
<b>Class Currency</b>	USD
<b>Minimum Investment</b>	USD 1 million
<b>Management Fee</b>	0.60%
<b>Listing &amp; Dealing</b>	Unlisted / Daily
<b>Distribution Policy</b>	Income and capital gains may be distributed
<b>ISIN Number</b>	IE0000268916
<b>Portfolio Manager(s)</b>	Anthony King / Hachidai Ueda
<b>Investment Manager(s)</b>	AIG Investments Europe Ltd. / AIG Investments Japan Co., Ltd. & AIG Global Investment Corp.
<b>Legal Manager</b>	AIG Investments Fund Management Ltd.
<b>Authorised for Public Distribution In</b>	Germany, Hong Kong, Sweden, Taiwan (ROC), United Kingdom
<b>Regulated By</b>	Financial Regulator in Ireland
<b>Morningstar Rating™</b>	★★★★

\*Refer to footnotes

## COMMENTARY

### Market Review

- Global bond yields were higher in October, broadly reflecting firmer economic conditions.
- In FX, the Australian dollar and Norwegian Krone appreciated as their respective central banks raised policy rates.
- Credit spreads continued to tighten albeit at a slower pace.

- We reduced the corporate credit exposure in the Fund during the month but maintained an overweight versus the index.

### Outlook

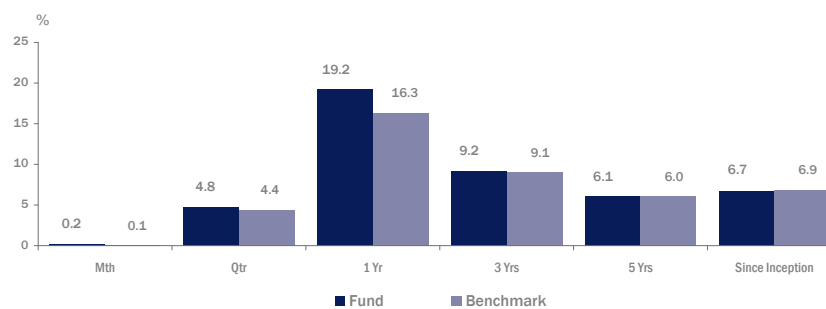
- While we expect long term average growth and inflation rates to remain low, the actual withdrawal of various exit policies is likely not imminent.
- We continue to see high quality credit as attractive, primarily in the US.

### Fund Activity

- A tactical underweight duration strategy in the US was compensated for in the eurozone, therefore maintaining a neutral duration overall. Minor yield moves resulted in a neutral contribution to performance.
- We implemented an underweight UK sterling position based upon our expectations for a prolonged QE policy program pressurizing the GBP. We also maintained an overweight in the Canadian dollar versus the euro and an underweight in the UK sterling versus the euro and US dollar.

## PERFORMANCE

For periods ending 31 October 2009

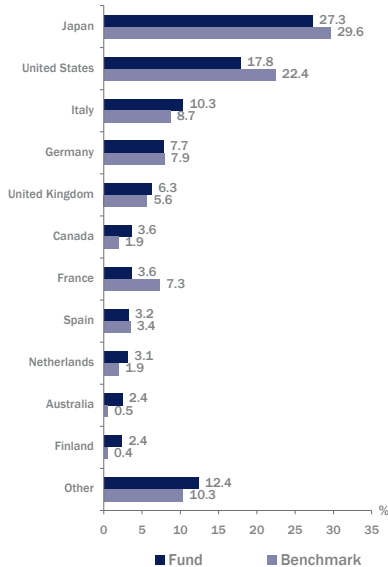


Calendar Year	Fund %	Benchmark %	Difference %
2009 YTD	6.6	4.7	1.9
2008	9.8	10.9	(1.1)
2007	10.1	10.9	(0.8)
2006	6.3	6.1	0.2
2005	(6.7)	(6.9)	0.2

Fund: AIG Global Bond Fund Class 'Y' Units  
 Benchmark: Citigroup World Govt Bond (Unhedged)  
 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.

FACTSHEET

## COUNTRY ALLOCATION



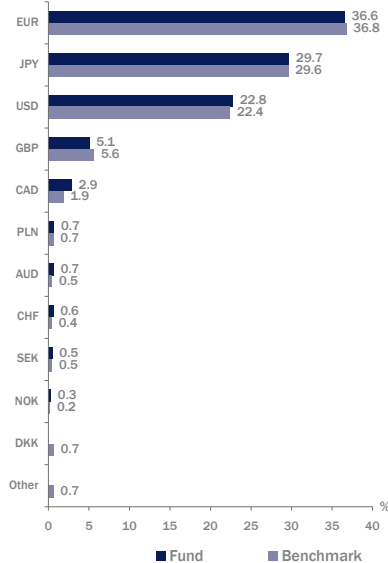
## TOP 10 HOLDINGS

Percentage	Instrument	%
0.80%	Japan (Government Of) 20/Mar/2013 (JP)	4.9
2.10%	Japan (Government Of) 20/Mar/2027 (JP)	4.7
1.70%	Japan (Government Of) 20/Sep/2017 (JP)	3.8
3.75%	Italy (Republic Of) 01/Aug/2016 (IT)	3.5
4.25%	Italy (Republic Of) 01/Sep/2019 (IT)	3.5
1.40%	Japan (Government Of) 20/Dec/2015 (JP)	3.4
3.15%	Spain (Kingdom Of) 31/Jan/2016 (ES)	3.2
1.10%	Japan (Government Of) 20/Mar/2011 (JP)	3.2
1.60%	Japan (Government Of) 20/Jun/2014 (JP)	2.8
4.25%	Treasury 7/Mar/2036 (GB)	2.7
<b>Total</b>		<b>35.7</b>

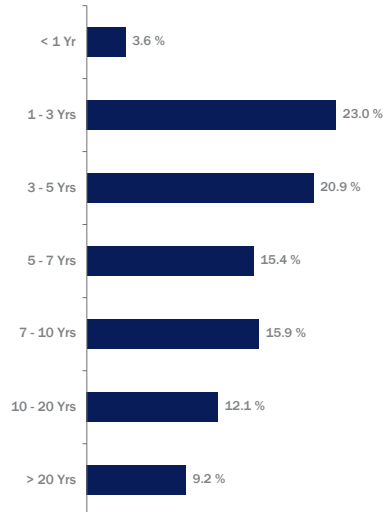
## FUND STATISTICS

Fund Size	USD 84,471,587
NAV per Unit	USD 258.0737
Number of Securities	78
Average Coupon (%)	2.9
Average Duration	6.2
Average Yield to Maturity	2.4
Standard Deviation (3yr)	8.8
Information Ratio (3yr)	0.1
Tracking Error (3yr)	1.0
Alpha	(0.2)
Beta	1.0
R-Squared	98.8

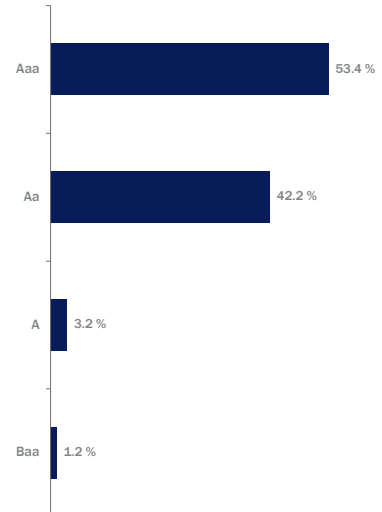
## CURRENCY ALLOCATION



## MATURITY PROFILE



## PORTFOLIO QUALITY



Fund: AIG Global Bond Fund  
 Benchmark: Citigroup World Govt Bond (Unhedged)  
 Asset allocations as at month end.

[www.aiginvestments.com](http://www.aiginvestments.com)

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