

AIG STRATEGIC BOND FUND

31 October 2009

OBJECTIVE

AIG Strategic Bond Fund ('the Fund') seeks to achieve income and capital appreciation by investing in a diversified portfolio of fixed income securities comprising investment grade bonds, emerging markets bonds, high yield bonds and non-USD bonds.

FUND FACTS

Domicile & Type	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
Inception Date of Class	1 Jun 2006
Inception Date of Predecessor Class	N/A
Benchmark	Barclays Capital U.S. Aggregate Bond Index
Base Currency	USD
Class	YD
Class Currency	USD
Minimum Investment	USD 1 million
Management Fee	0.90%
Listing & Dealing	Unlisted / Daily
Distribution Policy	Income and capital gains will be distributed
ISIN Number	IE00B179D857
Portfolio Manager(s)	Rob Vanden Assem / Anthony King / John Yovanovic / Rajeev Mittal
Investment Manager(s)	AIG Global Investment Corp. & AIG Investments Europe Ltd.
Legal Manager	AIG Investments Fund Management Ltd.
Authorised for Public Distribution In	Austria, Czech Republic, France, Hong Kong, Luxembourg, Netherlands, Singapore, Slovakia, Spain, Taiwan (ROC), United Kingdom
Regulated By	Financial Regulator in Ireland

COMMENTARY

Market Review

- Economic data remains mixed and indicative of slower recovery. US Federal Reserve (Fed) policy makers have admitted that the economy will probably "remain weak for a time".
- The OAS of the Barclay's Credit Index tightened by 11bps in September, to close at 187bps.
- The financial sector was once again one of the top performing sectors. In securitized products, agency mortgages had a strong month again as the Barclay's MBS Index outperformed both treasuries and swaps. The Fed's buying is still in multiples of net issuance despite their plan to unwind the program by the end of the first quarter of 2009.

Fund Activity

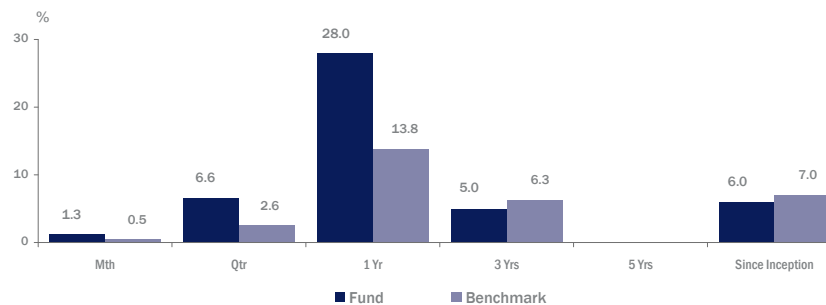
- During the month we increased our exposure emerging markets given the fact that it has shown good strength and held up better during this recession than in past economic downturns. In general, the Emerging Market space is more stable and developed that it was a decade ago.

Outlook

- Economic data, though not consistently positive, nevertheless point towards improving fundamentals which should benefit the credit market in general. Near term, technicals will continue to support credit markets, especially in high grade credit and securitized products.

PERFORMANCE

For periods ending 31 October 2009



Calendar Year	Fund %	Benchmark %	Difference %
2009 YTD	25.5	6.2	19.3
2008	(14.0)	5.2	(19.2)
2007	5.2	7.0	(1.8)
2006	N/A	N/A	N/A
2005	N/A	N/A	N/A

Fund: AIG Strategic Bond Fund Class 'YD' Units
 Benchmark: Barclays Capital U.S. Aggregate Bond Index
 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



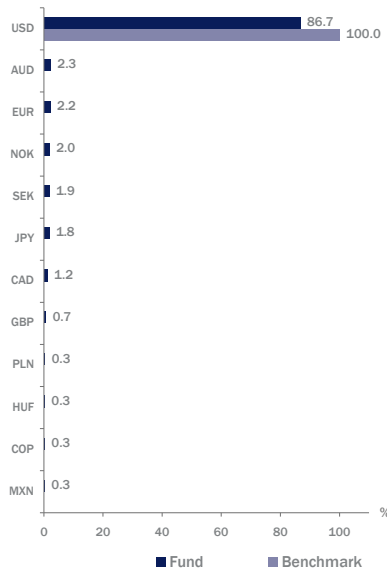
TOP 10 HOLDINGS

Security	%
7.50% Russian Federation 31/Mar/2030 (RU)	2.2
5.50% Fed Hm Ln Pc Pool G03202 01/Sep/2037 (US)	1.9
6.00% Fed Hm Ln Pc Pool G03720 01/Dec/2037 (US)	1.3
12.00% Nexstar Broadcasting Inc 15/Jan/2014 (US)	1.0
4.50% Sweden (Kingdom of) 12/Aug/2015 (SE)	1.0
6.00% Greece (Rep) 19/Jul/2019 (GR)	0.9
6.00% Australia (Commonwealth of) 15/Feb/2017 (AU)	0.9
5.00% Federal Home Ln Mtg Corp 15/Oct/2034 (US)	0.8
5.981% Fed Hm Ln Pc Pool 1G2519 01/Oct/2036 (US)	0.8
6.50% Norway (Kingdom of) 15/May/2013 (NO)	0.7
Total	11.5

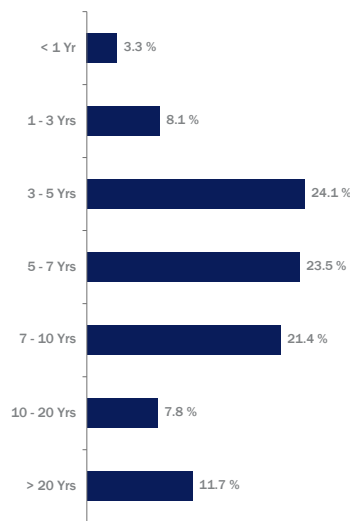
FUND STATISTICS

Fund Size	USD 61,683,230
NAV per Unit	USD 98.1702
Number of Securities	591
Average Coupon (%)	7.1
Average Duration	5.1
Average Yield to Maturity	7.0
Standard Deviation (3yr)	9.9
Information Ratio (3yr)	(0.2)
Tracking Error (3yr)	8.4
Alpha	(2.4)
Beta	1.4
R-Squared	33.1

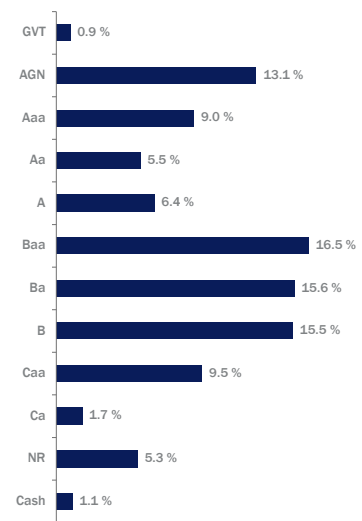
CURRENCY ALLOCATION



MATURITY PROFILE



PORTFOLIO QUALITY



Fund: AIG Strategic Bond Fund
 Benchmark: Barclays Capital U.S. Aggregate Bond Index
 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 Strategic 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 'YD' 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.

