

AUDITORS' REPORT

To the Board of Directors of
AIG Trustee Company (India) Private Limited

Trustees to
AIG GLOBAL INVESTMENT GROUP MUTUAL FUND
AIG QUARTERLY INTERVAL FUND SERIES II

1. We have audited the attached balance sheet of AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG QUARTERLY INTERVAL FUND SERIES II (the 'Scheme') as at March 31, 2010 and also the revenue account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of AIG Global Asset Management Company (India) Private Limited, the Scheme's asset managers. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. The balance sheet and revenue account dealt with by this report are in agreement with the books of account.
 - iii. In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the 'SEBI Regulations').
 - iv. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2010 are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of AIG Trustee Company (India) Private Limited, and are fair and reasonable.
 - v. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Scheme as at March 31, 2010; and
 - b) in the case of the revenue account, of the surplus for the year ended on that date;

For S.R. Batliboi & Co.
Firm Registration Number - 301003E
Chartered Accountants

per **Shrawan Jalan**
Partner

Membership No.: 102102

Mumbai
June 30, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedules	March 31, 2010 Rupees	March 31, 2009 Rupees
Assets			
Investments	1	999,481	1,599,787
Other Current Assets	2	124,689	185,841
TOTAL		1,124,170	1,785,628
Liabilities			
Unit Capital	3	1,085,679	1,618,073
Reserves and Surplus	4	32,794	59,925
Current Liabilities and Provisions	5	5,697	107,630
TOTAL		1,124,170	1,785,628
Notes to Accounts	8		

(In Rupees)

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2010			March 31, 2010			March 31, 2010
	Retail Growth Option	Retail Dividend Option	Total Retail	Institutional Growth Option	Institutional Dividend Option	Total Institutional	Grand Total
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	397,178	494,101	891,279	Nil	227,194	227,194	1,118,473
Number of Units in Issue	366.072	492.952	859.024	Nil	226.655	226.655	1,085.679
Net Asset Value per Unit	1,084.9721	1,002.3317		Nil	1,002.3769		

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2009			March 31, 2009			March 31, 2009
	Retail Growth Option	Retail Dividend Option	Total Retail	Institutional Growth Option	Institutional Dividend Option	Total Institutional	Grand Total
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	803,756	550,239	1,353,995	Nil	324,003	324,003	1,677,998
Number of Units in Issue	755.309	543.050	1,298.359	Nil	319.714	319.714	1,618.073
Net Asset Value per Unit	1,064.1414	1,013.2387		Nil	1,013.4166		

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

 For **S. R. Battiboi & Co.**
 Firm Registration Number - 301003E
 Chartered Accountants

AIG Trustee Company (India) Private Limited
AIG Global Asset Management Company (India) Private Limited

 Per **Shrawan Jalan**
 Partner
 Membership No. 102102

N. Rangachary
 Director

Robert Conry
 Director

Sunil Mehta
 Chief Executive Officer

Avinder Singh Bindra
 Director

Ruchir Parekh
 Fund Manager

Mumbai, June 30, 2010

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedules	April 01, 2009 to March 31, 2010 Rupees	August 26, 2009 to March 31, 2009 Rupees
Income And Gains			
Interest and Discount	6	29,094	27,686,983
Other Income		–	1,732,397
TOTAL		29,094	29,419,380
Expenses And Losses			
Loss on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)		–	217,854
Loss on Interscheme transfer/sale of Investments (Note 2.4)		–	471,791
Investment Management and Advisory Fees (Note 3)		1,362	78,655
Trustee Fees (Note 4)		12	2,693
Registrar and Transfer Agent Fees		1,155	50,830
Custodian Fees (Note 5)		565	3,274
Audit Fees (Note 6)		1,751	35,438
Selling and Distribution Expenses		675	180,547
Other Operating Expenses (Note 8)		356	57,497
TOTAL		5,876	1,098,579
Net Surplus for the Year/Period		23,218	28,320,801

Notes to Accounts

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(In Rupees)

	April 01, 2009 to March 31, 2010			April 01, 2009 to March 31, 2010			Grand Total
	Retail Growth Option	Retail Dividend Option	Total Retail	Institutional Growth Option	Institutional Dividend Option	Total Institutional	
Net Surplus including Net Change in Unrealised Appreciation in Value of Investments by Option	8,727	9,729	18,456	–	4,762	4,762	23,218
Dividend Distributions (Note 16)	–	(13,817)	(13,817)	–	(6,941)	(6,941)	(20,758)
Dividend distribution tax thereon	–	(1,957)	(1,957)	–	(1,573)	(1,573)	(3,530)
Transferred from Income Equalisation Reserve (Note 2.2 and 17)	(26,061)	(2)	(26,063)	–	(1,623)	(1,623)	(27,686)
Balance Transferred to Reserve Fund	(17,334)	(6,047)	(23,381)	–	(5,375)	(5,375)	(28,756)

	August 26, 2008 to March 31, 2009			August 26, 2008 to March 31, 2009			Grand Total
	Retail Growth Option	Retail Dividend Option	Total Retail	Institutional Growth Option	Institutional Dividend Option	Total Institutional	
Net Surplus including Net Change in Unrealised Appreciation in Value of Investments by Option	299,098	678,115	977,213	1,912,870	25,430,718	27,343,588	28,320,801
Dividend Distributions (Note 16)	–	(494,590)	(494,590)	–	(19,990,599)	(19,990,599)	(20,485,189)
Dividend distribution tax thereon	–	(73,877)	(73,877)	–	(4,288,976)	(4,288,976)	(4,362,853)
Transfer From Income Equalisation Reserve (Note 2.2 and 17)	(250,657)	(102,452)	(353,109)	(1,912,870)	(1,145,228)	(3,058,098)	(3,411,207)
Balance Transferred to Reserve Fund	48,441	7,196	55,637	–	5,915	5,915	61,552

The accompanying schedules are an integral part of this Revenue Account.

As per our report of even date.

For **S. R. Batliboi & Co.**
Firm Registration Number - 301003E
Chartered Accountants

AIG Trustee Company (India) Private Limited

AIG Global Asset Management Company (India) Private Limited

Per **Shrawan Jalan**
Partner
Membership No. 102102

N. Rangachary
Director

Robert Conry
Director

Sunil Mehta
Chief Executive Officer

Avinder Singh Bindra
Director

Ruchir Parekh
Fund Manager

Mumbai, June 30, 2010

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010		March 31, 2009	
	Cost Rupees	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value Rupees
SCHEDULE 1				
Investments (Notes 2.3,9 and 10) (Refer to the attached statement of Portfolio Holding as at March 31,2010)				
CBLO*	999,481	999,481	1,599,787	1,599,787
TOTAL	999,481	999,481	1,599,787	1,599,787

*CBLO - Collateralised Borrowing and Lending Obligation

	March 31, 2010 Rupees	March 31, 2009 Rupees
SCHEDULE 2		
Other Current Assets		
Balance with Banks in Current Account	124,689	185,841
TOTAL	124,689	185,841

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010 Rupees	March 31, 2009 Rupees
SCHEDULE 4		
Reserves and Surplus		
Unit Premium Reserve / (Accumulated Unit Discount) (Note 2.2)		
At the beginning of the year	(1,627)	–
Added during the year	(26,061)	(1,627)
Adjustments during the year (Refer Note No. 17)	27,686	–
At the end of the year	<u>(2)</u>	<u>(1,627)</u>
Reserve Fund		
At the beginning of the year	61,552	–
Balance Transferred from Revenue Account	(28,756)	61,552
At the end of the year [including net unrealised appreciation in value of investments Rs. Nil, Previous period Rs. Nil]	<u>32,796</u>	<u>61,552</u>
TOTAL	<u>32,794</u>	<u>59,925</u>
SCHEDULE 5		
Current Liabilities and Provisions		
Current Liabilities		
Investment Management and Advisory Fees Payable	40	189
Trustee Fees Payable	1	–
Registrar and Transfer Agent Fees Payable	130	107
Custodian Fees Payable	1	177
Audit Fees Payable	1,147	12,919
Selling and Distribution Expenses Payable	781	51,141
Load pending utilisation (Note 2.5)	2,180	2,435
Others Payable	1,417	40,662
TOTAL	<u>5,697</u>	<u>107,630</u>

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

	April 01, 2009 March 31, 2010 Rupees	August 26, 2008 March 31, 2009 Rupees
SCHEDULE 6		
Interest and Discount (Note 2.4)		
Debentures/Bonds	-	2,483,375
Securitized Debts	-	1,584,649
CBLO	29,094	348,020
Certificate of Deposit / Commercial Papers	-	23,270,939
TOTAL	29,094	27,686,983
 SCHEDULE 7		
Unrealised Appreciation / (Depreciation) in Value of Investments (Note 9)		
(a) CBLO		
At the end of the year	-	-
Total net change in unrealised appreciation / (depreciation) in value of investments during the year	-	-

Supplementary Investment Portfolio Information And Industrywise Classification**(Referred to in Schedule 1 to the Balance Sheet as at March 31, 2010)**

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments as at March 31, 2010 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2010, as well as the aggregate investments in each investment category.

Industry & Company Particular	Quantity	Amount (Rs. in Lakhs)	Percentage to Net Assets	Percentage to Investment Category
CBLO		10	89.36	100.00
TOTAL		10	89.36	
OTHER CURRENT ASSETS		1	11.16	
TOTAL ASSETS		11	100.52	
LESS : CURRENT LIABILITIES		0	0.52	
NET ASSETS		11	100.00	

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010**SCHEDULE 8****Notes to the Financial Statements for the year ended March 31, 2010****1. Organisation**

AIG Quarterly Interval Fund - Series II (the "Scheme") is an interval income scheme of AIG Global Investment Group Mutual Fund (the "Fund") and was launched on August 26, 2008. AIG Global Investment Group Mutual Fund has been sponsored by AIG Capital Corporation. AIG Global Asset Management Company (India) Private Limited ("AIG AMC" or the "AMC") incorporated under the Companies Act, 1956 has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on August 27, 2008. Scheme have interval period of 91 days and scheme shall be available for subscription / Switch in / switch out and redemptions on / during specified transaction days. The first specified transaction day would be 91st day from the date of allotment of units under NFO and subsequently 91st day from the immediately preceding transaction dates. During the period, specified transaction dates for the fund were May, 29, 2009, August 28, 2009, November 27, 2009 and February 26, 2010. The investment objective of the Scheme is generating returns while endeavoring to manage interest rate volatility over the interval period through a portfolio of fixed income securities. The Scheme has two plans - Retail and Institutional and Two options under each plan - Growth & Dividend option. The Scheme will not declare dividend under the Growth Option. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value of the respective Options.

2. Significant Accounting Policies

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (The SEBI Regulations) and have been approved by the Board of Directors of the AMC and the Trustee, are stated below. The accounting policies have been consistently applied by the Scheme except for the changes in accounting policy discussed more fully below:

Changes in Accounting Policies:**a) Change in the method of recording of unit premium reserve (UPR):**

Pursuant to SEBI Circular no. SEBI/IMD/CIR No. 18/198647/2010 (the 'SEBI circular') dated March 15, 2010; the Scheme has, with retrospective effect, changed its method of computation of UPR to reflect the balance of un-distributable surplus in UPR balance.

Refer note 17 below for the impacts on the closing UPR balance, had the Scheme continued to use the earlier basis of computation of UPR.

b) Change in the method of income equalization reserve: (IER):

As explained in (a) above, pursuant to the SEBI Circular dated March 15, 2010, the Scheme has changed its method of computation of income equalization reserve. Accordingly, when units are issued or redeemed, net asset value less face value and appropriation towards unit premium reserve, if any, for the transacted units, from the beginning of the accounting year up to the date of issue or redemption of such unit is transferred to / from the income equalisation account. Upon issue and redemption of units below par, the net discount is apportioned to income equalisation reserve.

The purpose is to ensure that the per unit amount of the continuing unit holders' share of the undistributed income / loss remains unaffected by the movement in unit capital. At the year end, the balance in the equalisation account is transferred to the Revenue Account.

Refer note 17 below for the impact on the closing reserve fund balance, had the Scheme continued to use the earlier basis of computation of UPR

2.1. Determination of net asset value

The net asset value of the units of the Scheme is determined separately for units issued under the Plans after including the respective unit capital and reserves and surplus, and reducing net deficit and accumulated discount, if any.

For reporting the net asset values, the daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred by the Scheme, are allocated to the Plans in proportion to their respective daily net assets as at the end of the immediately preceding day.

2.2. Unit Capital, Unit Premium Reserve and Income Equalization

Unit capital represents the net outstanding units as at the Balance Sheet date.

Upon issue and redemption of units, the net premium is apportioned between UPR and Income Equalisation Reserve (IER) in accordance with regulations and guidelines prescribed by SEBI.

When units are issued or redeemed, net asset value less face value and UPR per unit, for the transacted units, from the beginning of the accounting year up to the date of issue or redemption of such unit is transferred to / from the income equalisation account. Upon issue and redemption of units below par, the net discount is apportioned to income equalisation reserve in accordance with regulations and guidelines prescribed by SEBI.

The purpose is to ensure that the per unit amount of the continuing unit holders' share of the undistributed income / loss remains unaffected by the movement in unit capital. At the year end, the balance in the equalisation account is transferred to the Revenue Account

2.3. Investments

Accounting for investment transactions :

Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, securities transaction tax and fees payable or receivable, if any. The front end fee receivable, if any, is reduced from the cost of investment.

Valuation of investments :

- Investment in Mutual Fund units are valued at last declared net assets value (NAV) per unit.

Investments in fixed income securities are valued as follows:

- Traded Debt Securities (other than Government Securities) are valued at the closing market price as on the date of valuation, provided there is an individual trade in that security in marketable lot.
- Non-traded / thinly traded / unlisted debt securities of upto 182 days to maturity are valued at cost or last valuation price (in case of securities having maturity period of more than 182 days at the time of purchase) plus the difference between the redemption value and the cost or last valuation price spread uniformly over the remaining maturity period of the instrument.
- Non traded / thinly traded / unlisted debt securities of over 182 days to maturity are valued in good faith by the AMC on the basis of valuation principles laid down by the SEBI. The approach in valuation of a non-traded / thinly traded / unlisted debt security is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the security.
- The Pass Through Certificates ('PTC') are valued by discounting the future cashflows.
- Money Market - Money Market Instruments (consisting of commercial papers, certificate of deposit, treasury bills and CBLOs) are valued on the cost plus straight line amortization basis accrual.
- The securities with call option are valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is taken as the value of the instrument.
- The securities with put option are valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is taken as the value of the instruments.
- The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.
- All other investments are stated at their fair value as determined in good faith by the AMC in accordance with the SEBI Regulations and reviewed by the Trustee.
- Following the issue of the 'Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds' by the Institute of Chartered Accountants of India (ICAI) (pursuant to the Eleventh Schedule of the Regulations) net unrealized appreciation / depreciation in the value of investments is determined separately for each category of investments. In terms of the Guidance Note, the change in the net unrealised loss, if any, between two balance sheet dates is to be recognised in the revenue account and the change in net unrealised gain, if any, is to be adjusted in an unrealised appreciation reserve. The Scheme has, however, recognised the change in net unrealised appreciation /depreciation, if any, between two Balance Sheet dates in the Revenue Account. At the end of the financial year, the balance in the Revenue Account including change in the net unrealised appreciation or depreciation in the value of investments is transferred to Reserve Fund and the amount of net unrealised appreciation included in the Reserve Fund, as at the financial statement date, has been disclosed in the Reserve Fund schedule. The unrealized appreciation is reduced from the distributable income at the time of income distribution. Further, the loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the prior period, as recommended by the Guidance Note. However, these do not have any net impact on the distribution surplus for the period and the net assets of the Scheme.

2.4. Revenue recognition

- Income on investments is recognized on accrual basis except where there is uncertainty about ultimate recovery/ realization. Such income is recognized when the uncertainty is resolved.
- Interest on fixed income securities and CBLO is recognized as income on a daily basis over the period of holding. Interest paid for the period from the last interest due date up to the date of purchase, is not treated as a cost of purchase, but debited to interest accrued but not due account while interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as an addition to sale value but credited to interest accrued but not due account.
- Profit or loss on sale of investments is determined on the basis of the weighted average cost method.
- The discount or premium, if any, to the redemption value of debt securities is amortised and recognized as interest income or expense as the case maybe over the maturity period.

2.5. Load

All Load including Contingent Deferred Sales Charge ('CDSC') up to July 31, 2009, charged at the time of purchase and sale of units, is being utilized towards meeting marketing and distribution expenses.

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load has been charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 01, 2009. Similarly, no entry load has been charged with respect to applications for registrations under systematic investment plans/systematic transfer plans accepted by the Fund. With effect from August 1, 2009 exit load up to 1% charged at the time of sale of units is being utilized towards meeting marketing and distribution expenses. Exit load charged in excess of 1% is being credited to the respective schemes immediately as per SEBI regulation.

Unutilised amount of load is being carry forward to the subsequent years unless the same is considered to be in excess by the AMC / Trustee. Such excess amount is credited to other income.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to AIG AMC for managing the Scheme at an annual rate of 0.11% (Previous Year : 0.03%) of the average daily net assets (excluding investments made by AIG AMC, investments in Fixed Deposits and intra scheme investments) recorded by the Scheme. All costs, charges and expenses incurred by AIG AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated December 15, 2006 between AIG Capital Corporation (the "Settlor") and AIG Trustee Company (India) Private Limited, (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.001% (Previous Year : 0.001%) of the average daily net asset values recorded by the Scheme.

5. Custodian Fees

Citibank N.A. provides custodial services to the Scheme for which it receives custody fees.

6. Audit Fees

Audit Fees includes Statutory Audit fees and Internal Audit fees.

7. Income Taxes

No provision for current income tax has been made as the Scheme qualifies as a recognized mutual fund under Section 10 (23D) of the Income Tax Act, 1961 of India.

8. Other Expenses

Other Expenses include service tax on management fees and trusteeship fees.

9. Aggregate Appreciation and Depreciation In Value of Investments

Aggregate appreciation and depreciation in value of investments are as follows:

	March 31, 2010 (Rupees)	March 31, 2009 (Rupees)
CBLO	Nil	Nil

10. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities* purchased and sold (including matured) during the year/period and these amounts as a percentage of average daily net assets on an annualised basis are as follows :

	March 31, 2010 (Rupees)	March 31, 2009 (Rupees)
Purchases		
– Amount	–	3,734,611,523.99
– As a percentage of average daily net assets	–	1386.87%
Sales		
– Amount	–	3,758,901,561.88
– As a percentage of average daily net assets	–	1395.89%

* Does not include Placement & maturity of CBLO proceeds.

11. Income and Expenses

The total income/loss (including net profit/loss on sale of investments and net unrealised appreciation/depreciation in the value of investments) and expenditure and these amounts as a percentage of average daily net assets on an annualized basis are as follows :

	March 31, 2010 (Rupees)	March 31, 2009 (Rupees)
Income / (Loss)		
– Amount	29,093.71	28,729,735.54
– As a percentage of average daily net assets	2.41%	10.67%
Expenses		
– Amount	5,874.87	408,933.83
– As a percentage of average daily net assets	0.49%	0.15%

12. Disclosure under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended.

The Scheme has not made any payment to associate / group companies during the current year and previous period.

Brokerage paid to associates/related parties/group companies of Sponsor/AMC

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association / Nature of Relation	Period Covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)	Brokerage (Rs Cr & % of total brokerage paid by the fund)
Period From 01-Apr-2009 to 31-Mar-2010 NIL				
Previous Period From 26-Aug-2008 to 31-Mar-2009 NIL				

Commission paid to associates/related parties/group companies of Sponsor/AMC

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association / Nature of Relation	Period Covered	Business Given (in Rs. Cr. & % of total business received by the fund)	Commission paid (Rs. & % of total commission paid by the fund)
Period : 01-Apr-2009 to 31-Mar-2010 NIL				
Previous Period From 26-Aug-2008 to 31-Mar-2009 NIL				

13. Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended.

Fund has made the following investment in companies, which holds units in excess of 5% of the net asset value of any scheme of the Fund.

(Rs. in Lakhs)

Company Name	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company from 01 April 2009 to March 31, 2010	Aggregate cost of acquisition during the year ended 31 March 2010	Aggregate cost of acquisition during the year ended 31 March 2009	Outstanding as at March 31, 2010 (At Market / Fair Value)	Outstanding as at March 31, 2009 (At Market / Fair Value)
Allahabad Bank	AIGLF	7,345.34	18,894.04	-	2,450.20
	AIGQIS-II	-	2,395.91	-	-
	AIGTF	12,568.93	29,821.24	-	-
	AIGEF	1,174.92	-	1,195.60	-
	AIGINFRA	772.08	-	1,278.51	-
AIA Engineering Ltd.	AIGEF	1,902.68	-	2,044.85	-
	AIGINFRA	405.31	-	1,210.43	-
Axis Bank	AIGEF	-	778.11	-	-
	AIGINFRA	-	915.42	-	-
	AIGTF	-	4,724.09	-	-
	AIGWGF	-	503.48	-	-
Bank of India	AIGTF	20,467.89	2,416.85	1,130.03	-
	AIGINFRA	587.66	1,030.72	-	658.20
	AIGEF	2,258.23	-	-	-
	AIGSTF	1,518.44	-	1,224.20	-
	AIGLF	5,142.79	-	-	-
Bharti Airtel Ltd.	AIGEF	1,061.09	-	-	1,877.25
	AIGINFRA	2,088.61	-	-	-
Corporation Bank	AIGLF	3,578.96	12,306.18	-	-
	AIGTF	8,352.85	999.37	-	-
	AIGWGF	-	2,362.75	-	-
	AIGSTF	1,196.72	989.40	-	-
	AIGEF	576.20	-	-	-
	AIGINFRA	465.10	-	-	-
Crompton Greaves Ltd.	AIGINFRA	177.31	-	684.99	-
Export Import Bank of India	AIGTF	-	1,465.25	-	-
Global Trade Finance Ltd.	AIGLF	-	5,000.00	-	-
	AIGSTF	-	3,500.00	-	-
	AIGTF	-	4,000.00	-	-

(Rs. in Lakhs)

Company Name	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company from 01 April 2009 to March 31, 2010	Aggregate cost of acquisition during the year ended 31 March 2010	Aggregate cost of acquisition during the year ended 31 March 2009	Outstanding as at March 31, 2010 (At Market / Fair Value)	Outstanding as at March 31, 2009 (At Market / Fair Value)
GVK Power Infrastructure Ltd	AIGEF	2,338.44	–	818.51	–
	AIGINFRA	1,784.33	–	1,121.25	–
HDFC Bank Ltd.	AIGLF	–	3,870.49	–	–
	AIGSTF	–	2,410.12	–	–
	AIGTF	4,919.99	3,871.11	–	–
	AIGWGF	–	3,909.69	–	–
	AIGEF	965.91	–	–	1,460.10
Housing Development Finance Corporation Ltd.	AIGLF	–	2,464.90	–	–
	AIGQIS-II	–	2,432.96	–	–
	AIGSTF	–	2,486.90	–	–
	AIGTF	–	15,645.70	–	–
	AIGEF	–	–	–	1,765.25
Hero Honda Motors Ltd.	AIGEF	2,395.72	789.84	3,461.03	964.04
The Great Eastern Shipping Co Ltd	AIGEF	542.17	–	–	–
ITC Ltd	AIGEF	1,083.08	–	–	2,772.75
ICICI Bank Ltd	AIGEF	–	934.90	–	–
	AIGINFRA	–	2,678.05	–	–
	AIGLF	–	26,396.41	–	–
	AIGQIS-I	–	4,627.87	–	–
	AIGQIS-II	–	4,019.19	–	–
	AIGSTF	–	7,599.06	–	–
	AIGTF	–	41,766.31	–	–
	AIGWGF	–	6,337.70	–	–
	AIGFMP-I	–	6,320.05	–	2,848.76
Indian Bank	AIGLF	–	4,800.21	–	–
	AIGTF	–	2,483.34	–	–
	AIGWGF	–	2,341.54	–	–
Industrial Development Bank of India	AIGTF	10,239.02	35,782.49	–	–
	AIGEF	–	2,754.84	–	–
	AIGINFRA	363.17	1,646.62	–	–
	AIGLF	483.84	19,942.04	–	–
	AIGQIS-I	–	5.61	–	–
	AIGQIS-II	–	27.17	–	–
	AIGSTF	–	9,733.58	–	115.96
	AIGWGF	–	6,270.50	–	–
AIGFMP-I	–	6,356.61	–	4,636.57	
Infrastructure Development Finance Company Ltd.	AIGLF	–	2,496.21	–	–
	AIGSTF	–	4,078.57	–	–
	AIGINFRA	473.77	–	160.95	–
Karnataka Bank Limited	AIGTF	–	2,810.45	–	–
Punjab National Bank	AIGEF	4,029.64	–	1,073.52	–
	AIGLF	27,835.00	–	–	–
	AIGQIS-II	2,439.42	–	–	–
	AIGSTF	3,745.03	–	–	–
	AIGTF	66,097.00	–	2,450.60	–
	AIGFMP-I	488.69	–	–	–
	AIGINFRA	999.18	–	–	–
Larsen & Toubro Ltd.	AIGINFRA	–	–	652.34	738.54
	AIGEF	–	–	–	1,342.80
L&T Finance Limited	AIGLF	–	3,586.13	–	–
	AIGQIS-II	–	3,830.54	–	–

(Rs. in Lakhs)

Company Name	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company from 01 April 2009 to March 31, 2010	Aggregate cost of acquisition during the year ended 31 March 2010	Aggregate cost of acquisition during the year ended 31 March 2009	Outstanding as at March 31, 2010 (At Market / Fair Value)	Outstanding as at March 31, 2009 (At Market / Fair Value)
LIC Housing Finance Ltd	AIGSTF	-	493.11	-	-
	AIGTF	-	493.11	-	-
Reliance Industries Ltd	AIGINFRA	-	-	-	762.38
	AIGEF	-	-	-	2,744.55
Shriram Transport Finance Co Ltd	AIGLF	-	10,000.00	-	-
	AIGSTF	-	1,000.00	-	-
	AIGTF	-	9,500.00	-	-
State Bank of Patiala	AIGLF	-	21,555.62	249.37	-
	AIGSTF	-	6,366.85	748.11	-
	AIGTF	5,828.16	18,005.09	1,496.22	-
	AIGFMP-I	-	2,441.68	-	-
State Bank of Mysore	AIGLF	-	3,453.67	-	-
	AIGSTF	-	481.48	-	-
	AIGTF	-	14,542.81	-	-
State Bank of Hyderabad	AIGINFRA	988.77	3,144.09	-	-
	AIGLF	3,947.45	39,574.62	-	-
	AIGSTF	493.20	3,949.64	-	-
	AIGTF	20,087.62	47,497.77	-	-
	AIGWGF	1,483.16	6,732.46	-	-
Oriental Bank of Commerce	AIGEF	486.57	-	-	-
	AIGLF	7,821.09	-	-	-
	AIGQIS-I	4,924.36	-	-	-
	AIGQIS-II	537.11	-	-	-
	AIGSTF	3,850.20	-	-	-
	AIGTF	35,876.62	-	-	-
	AIGFMP-I	3,345.84	-	-	-
Sundaram Finance Ltd	AIGLF	-	5,141.42	-	-
	AIGSTF	-	7,154.05	-	-
	AIGTF	-	11,830.26	-	-
	AIGWGF	-	5,433.96	-	-
Union Bank of India	AIGEF	1,455.89	992.91	-	587.40
	AIGINFRA	-	992.91	-	-
	AIGLF	10,237.21	7,930.88	-	2,368.11
	AIGTF	9,119.60	12,820.99	-	-
	AIGWGF	-	2,978.73	-	-
United Bank of India	AIGTF	11,129.24	-	2,198.19	-
	AIGSTF	1,191.68	-	99.92	-
	AIGLF	8,697.08	-	199.84	-
YES Bank Ltd	AIGINFRA	-	987.14	-	-

The above investments comprise equity shares, debentures / bonds, commercial paper / certificate of deposits and other debt instruments, as applicable.

These investments have been made on account of their credit profile and competitive yield, in case of investments in fixed income / money market instruments and in case of equity shares based on the merits of the respective companies. The above investments include inter-scheme transfers made by the Schemes.

AIGEF	: AIG INDIA EQUITY FUND
AIGTF	: AIG INDIA TREASURY FUND
AIGLF	: AIG INDIA LIQUID FUND
AIGINFRA	: AIG INFRASTRUCTURE AND ECONOMIC REFORM FUND
AIGSTF	: AIG SHORT TERM FUND
AIGWGF	: AIG WORLD GOLD FUND
AIGQIS-I	: AIG QUARTERLY INTERVAL FUND - SERIES I
AIGQIS-II	: AIG QUARTERLY INTERVAL FUND - SERIES II
AIGFMP-I	: AIG FIXED MATURITY PLAN I - SERIES I

14. Segment Reporting

The Scheme operates only in one segment viz. to primarily generate returns, based on Scheme's investment objective. Accordingly, no segment disclosure is required to be given in accordance with AS-17 issued by the ICAI.

15. Effects of Events at the Ultimate Parent Company

Since September 2008, AIG has been working to protect and enhance the value of its key businesses, execute an orderly asset disposition plan, and position itself for the future. AIG has entered into several important transactions and relationships with the Federal Reserve Bank of New York (the "FRBNY"), the AIG Credit Facility Trust (together with its trustees, acting in their capacity as trustees, the "Trust") and the United States Department of the Treasury. As a result of these arrangements, AIG is controlled by the Trust, which was established for the sole benefit of the United States Treasury.

AIG continually reassesses this plan to maximize value while maintaining flexibility in managing its liquidity and capital. It expects to accomplish these objectives over a longer time frame than originally contemplated.

On March 26, 2010, as part of its divestiture efforts, AIG announced that it had concluded the previously-announced sale of a portion of AIG Investments, its asset management business, to Pacific Century Group ("PCG"), the Asia-based private investment firm. The divested portion of AIG Investments has been rebranded as PineBridge Investments ("PineBridge").

AIG Global Asset Management Company (India) Private Limited and AIG Trustee Company (India) Private Limited (collectively the "India AMC Business") are one of the operating entities comprising AIG's asset management business in India. The India AMC Business was initially considered for inclusion in the PineBridge sale; however, the parties determined to defer that portion of the sale, pending resolution of various logistical, structural and regulatory matters.

AIG, PCG and PineBridge have continued in earnest discussions concerning a follow-on transaction for the purchase of the India AMC Business from AIG by PineBridge and PCG or their affiliates. It is currently the intention of AIG to divest the India AMC business on a going concern basis.

AIG Global Asset Management Company (India) Private Limited remains adequately capitalized. The management of the Scheme has assessed the impact of these events and believes that the above events do not affect the Fund's ability to continue as a going concern. It accordingly does not require any adjustments to the carrying value of the assets and liabilities of the Scheme as of the closing balance sheet date.

16. Income Distribution

During the year, the scheme/plans has distributed income to its unitholders out of the distributable surplus available with the scheme/plan, which consists of surplus for the current year and retained earnings /accumulated reserves of earlier periods

17. The SEBI Circular dated March 15, 2010, clarified the method of calculation of unit premium reserve ("UPR"). Further, The SEBI Circular restricted the use of UPR for the purpose of dividend distribution. In view of the clarification provided by the SEBI Circular, with a view to reflect the UPR balance in accordance with the SEBI Circular, UPR has been recomputed since inception by the Scheme. Further, up to March 14, 2010 UPR was considered as available for dividend distribution. This change in accounting policy does not have any impact on the net asset values declared in the past for the Schemes and has only resulted in inter-se adjustments between UPR and Reserve Fund (RF).

The following table summarizes the impact on the balances of UPR and the RF as on March 31, 2010 due to re-computation of UPR as stated above and utilization of UPR for dividend distribution since inception up to March 14, 2010, if any

(In Rupees)

Balance as per current method		Balance as per Revised method		Change in balance		Utilisation of UPR for dividend distribution since inception till March 14, 2010
UPR	RF	UPR	RF	UPR	RF	
(1,623)	34,415	(3)	32,796	1,620	(1,620)	-

18. Prior Year Comparatives

These financial statements have been prepared for the period from April 01, 2009 to March 31, 2010, where the previous period was from August 26, 2008 to March 31, 2009. The corresponding figures for the previous period are not comparable with those for current year. The previous period figures are regrouped / rearranged wherever necessary.

As per our report of even date.

For **S. R. Batliboi & Co.**
Firm Registration Number - 301003E
Chartered Accountants

Per **Shrawan Jalan**
Partner
Membership No. 102102

AIG Trustee Company (India) Private Limited

N. Rangachary
Director

Robert Conry
Director

AIG Global Asset Management Company (India) Private Limited

Sunil Mehta
Chief Executive Officer

Avinder Singh Bindra
Director

Ruchir Parekh
Fund Manager

Mumbai, June 30, 2010

PERSPECTIVE HISTORICAL PER UNIT STATISTICS FOR THE YEAR ENDED MARCH 31, 2010

	April 1, 2009 to March 31, 2010 Rupees	August 26, 2008 to March 31, 2009 Rupees
(a) Net asset value per unit at the end of the period (Note 2.5)		
Retail Growth	1,084.9721	1064.1414
Retail Dividend	1,002.3317	1013.2387
Institutional Growth	N.A	N.A
Institutional Dividend	1,002.3769	1013.4166
(b) Gross Income		
(i) income other than profit on sale of investment	26.80	18181.74
(ii) income from profit on inter scheme sales/transfer of investment	-	-291.58
(iii) income (net) from profit on sale of investments to third party	-	-134.64
(iv) transfer of revenue account from past year's reserve	-	-
(c) Aggregate of expenses, writeoff, amortisation and charges (excluding change in unrealised depreciation in investments)	5.41	252.73
(d) Net Income (excluding change in unrealised depreciation in investments)	21.39	17,502.80
(e) Unrealised appreciation / (depreciation) in value of investments	-	-
(f) Redemption price		
- Highest		
Retail Growth	1,066.9674	1050.2372
Retail Dividend	1,000.0000	1010.2318
Institutional Growth	N.A	1051.3813
Institutional Dividend	1,000.0000	1019.7037
- Lowest		
Retail Growth	1,066.9674	1003.2660
Retail Dividend	1,000.0000	998.0574
Institutional Growth	N.A	998.1833
Institutional Dividend	1,000.0000	998.1833
(g) Purchase price		
- Highest		
Retail Growth	N.A	1050.2372
Retail Dividend	1,000.0000	1000.0028
Institutional Growth	N.A	1000.0000
Institutional Dividend	1,000.0000	1019.7037
- Lowest		
Retail Growth	N.A	1000.0000
Retail Dividend	1,000.0000	1000.0000
Institutional Growth	N.A	1000.0000
Institutional Dividend	N.A	1000.0000
(h) Price earnings ratio	N.A.	N.A.
(i) Ratio of expenses to average daily net assets by percentage (annualised, excluding unrealised appreciation/depreciation on investments)	0.49	0.15
(j) Ratio of gross income/loss to average daily net assets by percentage (annualised, including unrealised appreciation / depreciation on investments and net profit or loss on sale of investments.)	2.41	10.67

The above per unit calculations are based on the number of units in issue at the end of the financial period