

AUDITORS' REPORT

To the Board of Directors of Trustees of

AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG INDIA LIQUID FUND

1. We have audited the attached balance sheet of AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG INDIA LIQUID FUND (the 'Scheme') as at March 31, 2008 and also the revenue account for the period 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, 2008 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, 2008;
 - b) in the case of the revenue account, of the surplus for the period ended on that date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per Hemal Shah
Partner
Membership No.: 42650
Mumbai, June 30, 2008

Balance Sheet as at March 31, 2008

		Schedule	March 31, 2008 Rupees
Assets			
Investments		1	7,617,283,538
Other Current Assets		2	194,107,502
TOTAL			7,811,391,040
Liabilities			
Unit Capital		3	7,418,675,579
Reserves and Surplus		4	157,968,258
Current Liabilities and Provisions		5	234,747,203
TOTAL			7,811,391,040

	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
RECONCILIATION OF NET ASSET VALUE PER UNIT	Retail Growth Option	Retail Daily Dividend Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Total	Institutional Growth Option	Institutional Daily Dividend Option	Institutional Weekly Dividend Option	Total	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	Total	Grand Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	12,695,985	379,934,435	10,398,032	4,430,925	407,459,377	41,691,098	160,044,557	37,297,227	239,032,882	3,669,324,731	3,260,677,515	149,332	6,930,151,578	7,576,643,837
Number of Units in Issue	12,195.357	379,637.947	10,387.541	4,421.513	406,642.358	39,978.133	159,915.682	37,259.595	237,153.410	3,516,705.474	3,258,025.156	149.181	6,774,880	7,418,676
Net Asset Value per Unit	1,041.0507	1,000.7810	1,001.0100	1,002.1287		1,042.8475	1,000.8059	1,001.0100		1,043.3984	1,000.8141	1,001.0100		

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

As per our report of even date.

For **S. R. Batliboi & Co.**
Chartered Accountants

**AIG Trustee Company
(India) Private Limited**

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

Sd/-
Per **Hemal Shah**
Partner
Membership No. 42650

Sd/-
Sunil Mehta
Director

Sd/-
Saurabh Sonthalia
Chief Executive Officer

Sd/-
N. Rangachary
Director

Sd/-
Nanoo Pamnani
Director

Sd/-
Sandeep Bagla
Fund Manager

Mumbai, June 30, 2008

Revenue Account for the period September 18, 2007 to March 31, 2008

 September 18, 2007
to March 31, 2008
Rupees

		Schedule	
Income And Gains			
Interest and Discount		6	292,303,021
Profit on Interscheme transfer/sale of Investments (Note 2.4)			2,045,784
Other Income			187
TOTAL			294,348,992
Expenses And Losses			
Net Unrealised Depreciation in Value of Investments		7	9,816,743
Loss on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)			2,836,067
Investment Management and Advisory Fees (Note 3)			7,112,689
Trustee Fees (Note 4)			33,600
Registrar and Transfer Agent Fees			1,625,222
Custodian Fees (Note 5)			103,277
Audit Fees			213,948
Selling and Distribution Expenses			1,428,116
Other Operating Expenses			1,337,139
			24,506,801
Net Surplus for the Period			269,842,191
Net Surplus including Net Unrealised Depreciation in Value of Investments			269,842,191

	September 18, 2007 to March 31, 2008						September 18, 2007 to March 31, 2008				September 18, 2007 to March 31, 2008				
	Retail Growth Option	Retail Bonus Option	Retail Daily Dividend Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Total	Institutional Growth Option	Institutional Daily Dividend Option	Institutional Weekly Dividend Option	Total	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	Total	Grand Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Surplus including Net Change in Unrealised Depreciation in Value of Investments by Option	2,593,115	1,614	1,036,404	335,227	157,232	4,123,592	3,027,755	7,863,805	186,388	11,077,948	140,421,304	109,188,217	5,031,130	254,640,651	269,842,191
Dividend Distributions	-	-	(807,707)	(251,575)	(130,496)	(1,189,778)	-	(5,986,108)	(146,088)	(6,132,196)	-	(83,977,000)	(4,195,136)	(88,172,136)	(95,494,110)
Dividend Tax thereon	-	-	(228,682)	(71,245)	(36,963)	(336,890)	-	(1,695,565)	(41,381)	(1,736,946)	-	(23,786,485)	(1,188,272)	(24,974,757)	(27,048,593)
Transfer From Income Equalisation Reserve (Note 2.6)	(2,076,218)	(1,614)	231,747	(2,018)	19,378	(1,828,725)	(1,312,023)	(62,946)	33,702	(1,341,267)	12,134,240	922,644	345,014	13,401,898	10,231,906
Balance Transferred to Reserve Fund	516,897	-	231,782	10,389	9,151	768,199	1,715,732	119,186	32,621	1,867,539	152,555,544	2,347,376	(7,264)	154,895,656	157,531,394

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

As per our report of even date.

For S. R. Batliboi & Co.
Chartered Accountants

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

 Sd/-
Per **Hemal Shah**
Partner
Membership No. 42650

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Director

 Sd/-
Nanoo Pamnani
Director

 Sd/-
Sandeep Bagla
Fund Manager

Mumbai, June 30, 2008

Schedules to the Financial Statements for the period September 18, 2007 to March 31, 2008.

	March 31, 2008	
	Cost Rupees	Market / Fair Value Rupees
Schedule 1		
Investments		
(Notes 2.3, 8 and 9)		
(Refer to the attached statement of Portfolio Holding as at March 31,2008)		
Privately Placed Non Convertible Debentures / Bonds	400,180,249	400,156,111
Securitized Debt	2,194,616,320	2,184,749,662
Commercial Papers	917,459,400	917,459,322
Certificate of Deposit	3,774,923,197	3,774,997,329
Reverse Repo Transaction	339,921,114	339,921,114
	7,627,100,280	7,617,283,538
Schedule 2		
Other Current Assets		
Balance with Banks in Current Account		2,739,992
Switch Receivable		161,636,579
Interest Receivable on :		
- Debentures/Bonds		5,309,864
- Securitized Debt		24,421,067
		194,107,502

Schedules to the Financial Statements for the period September 18, 2007 to March 31, 2008.

Schedule 3 Unit Capital

	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	
Issued and Subscribed:																			
Units of Rs.10 each fully paid up - Initial Issue Amount	42,550,000	42,550,000	200,000	20,000	20,000	25,000	25,000	520,000	520,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	226,000,000	226,000,000	20,000,000	20,000,000
Outstanding :																			
Initial Issue and subscription	42,550,000	42,550,000	200,000	20,000	20,000	25,000	25,000	520,000	520,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000	226,000,000	226,000,000	20,000,000	20,000,000
Issued during the period	212,542,641	212,542,641	-	424,957,831	424,957,831	44,600,371	44,600,371	11,014,016	11,014,016	1,271,741,402	1,271,741,402	1,439,741,402	1,439,741,402	1,439,741,402	1,439,741,402	4,448,475,910	4,448,475,910	47,230,877	47,230,877
Redeemed during the period	255,092,641	255,092,641	200,000	424,957,831	424,957,831	44,625,371	44,625,371	11,534,016	11,534,016	1,439,741,402	1,439,741,402	1,399,763,298	1,399,763,298	1,399,763,298	1,399,763,298	4,514,560,228	4,514,560,228	29,971,292	29,971,292
At the end of the period	12,995,357	12,995,357	-	378,637,947	378,637,947	10,387,541	10,387,541	4,421,513	4,421,513	39,878,133	39,878,133	39,878,133	39,878,133	39,878,133	39,878,133	159,315,682	159,315,682	37,299,595	37,299,595

Schedule 3 Unit Capital (Contd.)

	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	Repeats	Units	
Issued and Subscribed :																			
Units of Rs.10 each fully paid up - Initial Issue Amount	-	-	-	4,350,000,000	4,350,000,000	-	-	1,750,000,000	1,750,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	6,657,315,000	6,657,315,000	6,657,315,000	6,657,315,000
Outstanding	-	-	-	4,350,000,000	4,350,000,000	-	-	1,750,000,000	1,750,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	6,657,315,000	6,657,315,000	6,657,315,000	6,657,315,000
Initial Issue and subscription	-	-	-	93,773,849,648	93,773,849,648	-	-	58,540,809,154	58,540,809,154	1,501,607,657	1,501,607,657	1,501,607,657	1,501,607,657	1,501,607,657	1,501,607,657	1,802,776,829,507	1,802,776,829,507	1,802,776,829,507	1,802,776,829,507
Issued during the period	-	-	-	98,123,849,648	98,123,849,648	-	-	60,290,809,154	60,290,809,154	1,601,607,657	1,601,607,657	1,601,607,657	1,601,607,657	1,601,607,657	1,601,607,657	1,663,934,144,507	1,663,934,144,507	1,663,934,144,507	1,663,934,144,507
Redeemed during the period	-	-	-	94,607,144,174	94,607,144,174	-	-	57,632,783,998	57,632,783,998	1,601,607,657	1,601,607,657	1,601,607,657	1,601,607,657	1,601,607,657	1,601,607,657	1,899,515,688,928	1,899,515,688,928	1,899,515,688,928	1,899,515,688,928
At the end of the period	-	-	-	3,516,705,474	3,516,705,474	-	-	3,238,023,156	3,238,023,156	49,181	49,181	49,181	49,181	49,181	49,181	7,418,675,979	7,418,675,979	7,418,675,979	7,418,675,979

Schedules to the Financial Statements for the period September 18, 2007 to March 31, 2008.
March 31, 2008
Rupees
Schedule 4
Reserves and Surplus
Unit Premium Reserve (Note 2.5)

Added during the year/period	436,864
At the end of the Period	<u>436,864</u>

Reserve Fund

Balance Transferred from Revenue Account	157,531,394
At the end of the period [including net unrealised appreciation in value of investments Rs. Nil]	<u>157,531,394</u>

TOTAL
157,968,258
Schedule 5
Current Liabilities and Provisions
Current Liabilities

Investment Management and Advisory Fees	1,007,337
Trustee Fees	4,846
Registrar and Transfer Agent Fees	307,035
Custodian Fees	103,277
Audit Fees	58,274
Selling and Distribution Expenses	925,674
Dividend Distribution Tax	1,246,355
Purchase Contracts Awaiting Completion - Certificate of Deposit	229,471,750
Unit Redemption Payable	1,184,785
Others	437,870

TOTAL
234,747,203
September 18, 2007
to March 31, 2008
Rupees
Schedule 6
Interest and Discount (Note 2.4)

Debentures/Bonds	57,610,617
Securitized Debt	65,161,773
CBLO	9,800,897
Certificate of Deposit / Commercial Papers	154,973,857
Application Money	367,808
Reverse Repos	4,388,069

TOTAL
292,303,021
September 18, 2007
to March 31, 2008
Rupees
Schedule 7
Unrealised Appreciation in Value of Investments (Note 8)

(a) Privately Placed Non Convertible Debentures / Bonds	
At the end of the period	(24,139)
Net change in unrealised appreciation in value of investments during the year/period	<u>(24,139)</u>
(b) Securitized Debt	
At the end of the period	(9,866,658)
Net change in unrealised appreciation in value of investments during the year/period	<u>(9,866,658)</u>
(c) Commercial Papers	
At the end of the period	(78)
Net change in unrealised appreciation in value of investments during the year/period	<u>(78)</u>
(d) Certificate of Deposit	
At the end of the period	74,132
Net change in unrealised appreciation in value of investments during the year/period	<u>74,132</u>
Total net change in unrealised appreciation in value of investments during the year/period	<u>(9,816,743)</u>

8. Supplementary Investment Portfolio Information And Industrywise Classification (Referred to in Schedule 1 to the Balance Sheet as at March 31, 2008 and the Revenue Account for the period ended March 31, 2008.)

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments as at March 31, 2008 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2008, 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
NON CONVERTIBLE DEBENTURES / BONDS				
Privately Placed / Unlisted				
Finance	4,000,000	4,002	5.28	100.00
MIBOR + 50 Hero Honda Finlease Ltd 20-06-2008	3,000,000	3,000	3.96	74.97
9.40% ICICI Securities Ltd. 26-09-2008	1,000,000	1,002	1.32	25.03
Total		4,002	5.28	100.00
PASS THROUGH CERTIFICATES				
Privately Placed / Unlisted				
Trust		21,847	28.84	100.00
Collateralised Debt Trust Series 21 A1 29-04-2008 (Reliance Communications Ltd.)	60	5,963	7.87	27.30
Credit Asset Trust XVIII A 27-06-2008 (Vodafone Essar Ltd)	50	5,017	6.62	22.97
MIBOR + 800 Indian Corporate Loan Securitisation Trust LIV 24-10-2008 (Infrastructure Leasing & Financial Services Limited.)	50	5,008	6.61	22.92
MIBOR + 8.55 Corp Loan Sec Trust - Series 62 A2 17-10-2008 (Shriram Transport Finance Company Ltd)	22	2,287	3.02	10.47
Indian Corporate Loan Sec Trust LI A1 10-10-2008 (BHW Home Finance Ltd.)	20	1,836	2.42	8.40
Auto Securitisation Trust A1 20-10-2008 (Tata Motors Finance Ltd)	20	1,350	1.78	6.18
Credit Asset Trust XXI A2 14-07-2008 (Vodafone Essar Ltd)	2	201	0.27	0.92
Corp Loan Sec Trust - Series 62 A1 17-10-2008 (Shriram Transport Finance Company Ltd)	2	151	0.20	0.69
Collateralised Debt Trust Series 21 A2 29-04-2008 (Reliance Communications Ltd.)	5	34	0.04	0.15
Total		21,847	28.84	100.00
CERTIFICATE OF DEPOSIT				
Banks		37,750	49.83	100.00
State Bank of Indore 15-09-2008	10,000,000	9,603	12.67	25.44
ICICI Bank Ltd 23-06-2008	5,637,000	5,539	7.31	14.67
ABN AMRO Bank N.V. 21-10-2008	4,200,000	4,019	5.30	10.65
Federal Bank Ltd. 23-09-2008	2,500,000	2,406	3.18	6.37
Punjab National Bank 10-03-2009	2,500,000	2,303	3.04	6.10
Indian Bank 17-03-2009	2,500,000	2,297	3.03	6.08

Supplementary Investment Portfolio Information And Industrywise Classification (Referred to in Schedule 1 to the Balance Sheet as at March 31, 2008 and the Revenue Account for the period ended March 31,2008.) (Contd.)

Industry & Company Particular	Quantity	Amount (Rs. in Lakhs)	Percentage to Net Assets	Percentage to Investment Category
Allahabad Bank 03-03-2009	2,500,000	2,295	3.03	6.08
Oriental Bank of Commerce 25-03-2009	2,500,000	2,295	3.03	6.08
Punjab National Bank 05-03-2009	2,500,000	2,290	3.02	6.07
UCO Bank 12-03-2009	2,500,000	2,285	3.02	6.05
State Bank of Travancore 29-01-2009	1,600,000	1,489	1.97	3.95
State Bank of Mysore 10-02-2009	1,000,000	929	1.23	2.46
		37,750	49.83	100.00
COMMERCIAL PAPERS				
Finance		9,174	12.11	100.00
Tata Sons Ltd. 03-10-2008	5,000,000	4,804	6.34	52.36
Rabo India Finance Ltd 30-10-2008	2,500,000	2,387	3.15	26.02
Kotak Mahindra Prime Ltd. 02-05-2008	2,000,000	1,983	2.62	21.62
		9,174	12.11	100.00
REVERSE REPO		3,399	4.49	100.00
TOTAL		76,172	100.54	
OTHER CURRENT ASSETS		1,941	2.56	
TOTAL ASSETS		78,113	103.10	
LESS : CURRENT LIABILITIES		2,347	3.10	
NET ASSETS		75,766	100.00	

Notes to the Financial Statements**Schedule 8****1. Organisation**

AIG India Liquid Fund (the "Scheme") is an open-ended liquid scheme of AIG Global Investment Group Mutual Fund (the "Fund") and was launched on September 18, 2007. AIG Global Investment Group Mutual Fund has been sponsored by AIG Capital Corporation. AIG Global Asset Management Company (India) Private Limited (AIG 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 September 20, 2007. The investment objective of the Scheme is to seek to generate a reasonable return commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and short-term debt securities. The Scheme has three plans – Retail, Institutional and Super Institutional Plan and Six options under each plan – Growth, Bonus, Daily Dividend, Weekly Dividend, Monthly Dividend & Quarterly Dividend option. The Scheme will not declare dividend under the Growth and Bonus Option. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value of the Option.

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 SEBI Regulations and have been approved by the Board of Directors of the AMC and the Trustee, are stated below.

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 realized profit or loss and unrealized 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 capital represents the net outstanding units at the balance sheet date, thereby reflecting all transactions relating to the year ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme, after an appropriate portion of the issue proceeds and redemption payouts is credited or debited respectively to the equalisation account, a mandatory requirement for open ended mutual fund Schemes. The Unit Premium Reserve is available for dividend distribution except to the extent it is represented by unrealised net appreciation in value of investments.

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

- Investments in Central Government securities are stated at their traded prices on the balance sheet date, as released by an independent agency, currently Crisil Limited, suggested by the Association of Mutual Funds in India ('the AMFI').

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 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 investment manager 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.
- PTC- The pass through certificates are valued by discounting the future cashflows.

- FRN- Non-traded / thinly traded / unlisted Floating Rate Debt securities of more than 182 days to maturity are valued at cost or last valuation price plus difference between the redemption value and the cost or last valuation price spread uniformly over the remaining maturity period of the instruments.
- Money Market - Money Market Instruments (mainly Commercial paper and Commercial deposits) are valued on the basis of straight line amortization.
- 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 instruments.
- 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 (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. Further the change in net unrealised appreciation / depreciation, if any, between two Balance Sheet dates / dates of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of income distribution. 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.

2.4. Revenue recognition

- Dividend income is recognised on the ex-dividend date.
- Interest on fixed income securities is recognised as income on an accrual basis.
- Profit or loss on sale of investments is determined on the basis of the weighted average cost method.

2.5. Unit Premium / Discount Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme.

The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealized net appreciation in value of investments.

2.6. Income Equalization Reserve

The purpose of equalisation account is to maintain the per unit amount of a Plan's share of the Scheme's undistributed income earned during the accounting year, so that continuing unitholders' share of undistributed income remains unchanged on issue or redemption of units under that Plan.

When units are issued or redeemed, the total undistributed income from the launch of the scheme till the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the undistributed income associated with each unit is computed. The per unit amount so determined is credited or debited to the equalisation account on issue and redemption of each unit respectively.

At the balance sheet date, the balance in the equalisation account is transferred to the revenue account

2.7. Load

All load including CDSC charged at the time of purchase/ sale of units is utilized towards meeting distribution and marketing expenses. Unutilised amount of Load collected is carried forward to subsequent years unless the same is considered as surplus by the AMC.

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 0.21% of the average daily net assets (excluding investments made by AIG AMC and investments in Fixed Deposits) recorded by the Scheme. All costs, charges and expenses incurred by AIG Global Asset Management Company (India) Private Limited 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% 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. Income Taxes

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

7. Other Expenses

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

8. Aggregate Appreciation and Depreciation In Value of Investments

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

	March 31, 2008 (Rupees)
Certificate of Deposits	
- Appreciation	74,535.75
- Depreciation	402.84
Commercial Papers	
- Appreciation	18.3
- Depreciation	96.74
Non Convertible Debentures	
- Appreciation	
- Depreciation	24,138.64
Pass Through Certificate	
- Appreciation	
- Depreciation	9,866,658

9. Aggregate Value of Purchases and Sale of Investments.

The aggregate value of investment securities purchased and sold (including matured) during the financial period is Rs. 61,179,838,216 and Rs.53,985,859,505 respectively being 1817.8%(annualized) and 1604.1%(annualized) of the average daily net assets.

10. Income and Expenses

The total income (including net profit on sale of investments and net unrealized appreciation in the value of investments) and expenditure during the period is Rs. 281,696,182 and 11,853,990 respectively being 8.37%(annualised) and 0.35% (annualised) of the average daily net assets.

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

The Fund has not made any payment to associate / group companies.

12. 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 a company, which holds units in excess of 5% of the net asset value of any scheme of the Fund.

Company Name	Schemes invested in by the Company	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company / subsidiary	Aggregate cost of acquisition during the period ended March 31, 2008* (Rupees in Lakhs)	Outstanding as at March 31, 2008 (At Market / Fair Value) (Rupees in Lakhs)
Allahabad Bank	AIGLF,AIGTPF	AIGLF AIGTPF AIGSTF	9,425.94 10,630.63 9,129.43	2,295.08 - 4,589.01
DSP Merrill Lynch Capital Ltd	AIGLF	AIGLF AIGTPF	25,832.06 26,760.70	- -
Global Trade Finance Limited	AIGLF,AIGTPF	AIGLF AIGTPF	12,000.00 2,200.00	- -
HDFC Bank Limited	AIGLF,AIGTPF	AIGEF	12,208.62	2,662.50
Housing Development Finance Corporation Limited	AIGLF	AIGEF AIGTPF AIGSTF	5,442.50 8,522.35 2,500.00	3,569.63 1,461.26 2,532.03
ITC Limited	AIGLF	AIGEF	2,392.48	3,093.75
Indian Bank	AIGLF,AIGTPF	AIGLF	2,294.26	2,296.58
Infrastructure Development Finance Company Limited	AIGLF,AIGTPF	AIGTPF AIGSTF	5,354.53 2,440.38	- 2,447.29
Karnataka Bank Limited	AIGLF	AIGTPF	2,484.08	-
L&T Finance Limited	AIGTPF	AIGLF AIGTPF	13,412.62 14,965.02	- -
Larsen & Toubro Limited	AIGLF,AIGTPF	AIGEF AIGINFRA	3,339.66 1,981.87	4,711.34 1,669.77
Reliance Petroleum Ltd	AIGLF,AIGTPF	AIGEF	2,140.53	1,562.00
State Bank of Mysore	AIGLF,AIGTPF	AIGEF AIGLF AIGTPF AIGINFRA AIGSTF	6,436.96 18,365.80 14,606.44 2,430.95 3,697.14	- 928.68 - - 3,714.72
Union Bank of India	AIGLF,AIGTPF	AIGLF AIGTPF AIGSTF	3,456.94 8,948.51 2,491.97	- 2,433.06 -
Reliance Industries Ltd	AIGLF	AIGEF AIGINFRA	8,218.97 1,303.80	7,477.14 1,132.90
YES Bank Ltd	AIGLF	AIGTPF	2,487.61	-
Export Import Bank of India	AIGLF	AIGEF AIGLF AIGTPF AIGSTF	996.91 1,500.00 3,508.25 1,960.98	- - - -
HCL Technologies Limited	AIGLF	AIGEF	1,512.11	-

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

Company Name	Schemes invested in by the Company	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company / subsidiary	Aggregate cost of acquisition during the period ended March 31, 2008*	Outstanding as at March 31, 2008 (At Market / Fair Value)
			(Rupees in Lakhs)	(Rupees in Lakhs)
ICICI Bank Ltd	AIGLF	AIGEF	8,342.10	1,715.76
		AIGLF	35,085.78	5,538.92
		AIGTPF	59,666.86	5,511.36
		AIGINFRA	1,872.20	1,231.04
		AIGSTF	8,279.89	8,309.75
State Bank of Patiala	AIGLF	AIGLF	15,249.23	-
		AIGTPF	31,859.90	-
		AIGINFRA	9,713.97	-
		AIGSTF	4,551.79	1,842.59
Bharti Airtel Ltd	AIGLF,AIGTPF	AIGEF	4,680.49	2,478.75

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

These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income/ money market instruments and in case of equity shares because of attractive valuations of these companies. The above investments include inter-scheme transfers made by the Schemes.

AIGEF : AIG INDIA EQUITY FUND
 AIGTPF : AIG INDIA TREASURY PLUS FUND
 AIGLF : AIG INDIA LIQUID FUND
 AIGINFRA : AIG INFRASTRUCTURE AND ECONOMIC REFORM FUND
 AIGSTF : AIG SHORT TERM FUND

*The aggregate cost of acquisition has been taken since inception of the schemes as all the schemes have not completed a year.

13. Segment Reporting

The Scheme operates only in one segment viz. to primarily generate returns, based on scheme's investment objective.

14. Prior Year Comparatives

The scheme was launched during the current financial year and hence, there are no prior period comparatives.

As per our report of even date.

For S. R. Batliboi & Co.
 Chartered Accountants

**AIG Trustee Company
 (India) Private Limited**

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

Sd/-
 Per **Hemal Shah**
 Partner
 Membership No. 42650

Sd/-
Sunil Mehta
 Director

Sd/-
Saurabh Sonthalia
 Chief Executive Officer

Sd/-
N. Rangachary
 Director

Sd/-
Nanoo Pamnani
 Director

Sd/-
Sandeep Bagla
 Fund Manager

Mumbai, June 30, 2008

PERSPECTIVE HISTORICAL PER UNIT STATISTICS FOR THE PERIOD ENDED MARCH 31, 2008.
**September 18, 2007 to
March 31, 2008
Rupees**

(a) Net asset value per unit at the end of the period (Note 2.5)	
Retail Plan - Bonus Option	N.A.
Retail Plan - Daily Dividend Option	1,000.7810
Retail Plan - Growth Option	1,041.0507
Retail Plan - Monthly Dividend Option	1,002.1287
Retail Plan - Quarterly Dividend Option	N.A.
Retail Plan - Weekly Dividend Option	1,001.0100
Institutional Plan - Bonus Option	N.A.
Institutional Plan - Daily Dividend Option	1,000.8059
Institutional Plan - Growth Option	1,042.8476
Institutional Plan - Monthly Dividend Option	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.
Institutional Plan - Weekly Dividend Option	1,001.0100
Super Institutional Plan - Bonus Option	N.A.
Super Institutional Plan - Daily Dividend Option	1,000.8141
Super Institutional Plan - Growth Option	1,043.3984
Super Institutional Plan - Monthly Dividend Option	N.A.
Super Institutional Plan - Quarterly Dividend Option	N.A.
Super Institutional Plan - Weekly Dividend Option	1,001.0100
(b) Gross Income	
(i) income other than profit on sale of investment	39.40
(ii) income from profit on inter scheme sales/transfer of investment	0.28
(iii) income (net) from profit on sale of investments to third party	-0.38
(iv) transfer of revenue account from past year's reserve	0.00
(c) Aggregate of expenses, writeoff, amortisation and charges (excluding change in unrealised depreciation in investments)	1.60
(d) Net Income (excluding change in unrealised depreciation in investments)	37.70
(e) Unrealised appreciation / (depreciation) in value of investments	-1.32
(f) Redemption price	
- Highest	
Retail Plan - Bonus Option	1009.4200
Retail Plan - Daily Dividend Option	1000.7810
Retail Plan - Growth Option	1041.0507
Retail Plan - Monthly Dividend Option	1006.8376
Retail Plan - Quarterly Dividend Option	
Retail Plan - Weekly Dividend Option	1002.2878
Institutional Plan - Bonus Option	
Institutional Plan - Daily Dividend Option	1000.8060
Institutional Plan - Growth Option	1041.3939
Institutional Plan - Monthly Dividend Option	
Institutional Plan - Quarterly Dividend Option	
Institutional Plan - Weekly Dividend Option	1001.4129
Super Institutional Plan - Bonus Option	
Super Institutional Plan - Daily Dividend Option	1000.8141
Super Institutional Plan - Growth Option	1043.1526
Super Institutional Plan - Monthly Dividend Option	
Super Institutional Plan - Quarterly Dividend Option	
Super Institutional Plan - Weekly Dividend Option	1001.6583

PERSPECTIVE HISTORICAL PER UNIT STATISTICS FOR THE PERIOD ENDED MARCH 31, 2008. (Contd.)

	September 18, 2007 to March 31, 2008 Rupees
- Lowest	
Retail Plan - Bonus Option	1006.6978
Retail Plan - Daily Dividend Option	1000.7810
Retail Plan - Growth Option	1000.9722
Retail Plan - Monthly Dividend Option	1000.7810
Retail Plan - Quarterly Dividend Option	
Retail Plan - Weekly Dividend Option	1001.0100
Institutional Plan - Bonus Option	
Institutional Plan - Daily Dividend Option	1000.8059
Institutional Plan - Growth Option	1001.0050
Institutional Plan - Monthly Dividend Option	
Institutional Plan - Quarterly Dividend Option	
Institutional Plan - Weekly Dividend Option	1001.0100
Super Institutional Plan - Bonus Option	
Super Institutional Plan - Daily Dividend Option	1000.8140
Super Institutional Plan - Growth Option	1001.0159
Super Institutional Plan - Monthly Dividend Option	
Super Institutional Plan - Quarterly Dividend Option	
Super Institutional Plan - Weekly Dividend Option	1001.0100
(g) Purchase price	
- Highest	
Retail Plan - Bonus Option	1,000.0000
Retail Plan - Daily Dividend Option	1,000.7810
Retail Plan - Growth Option	1,041.0507
Retail Plan - Monthly Dividend Option	1,006.9983
Retail Plan - Quarterly Dividend Option	
Retail Plan - Weekly Dividend Option	1,002.1866
Institutional Plan - Bonus Option	
Institutional Plan - Daily Dividend Option	1,000.8060
Institutional Plan - Growth Option	1,041.6441
Institutional Plan - Monthly Dividend Option	
Institutional Plan - Quarterly Dividend Option	
Institutional Plan - Weekly Dividend Option	1,002.3740
Super Institutional Plan - Bonus Option	
Super Institutional Plan - Daily Dividend Option	1,000.8141
Super Institutional Plan - Growth Option	1,043.3984
Super Institutional Plan - Monthly Dividend Option	
Super Institutional Plan - Quarterly Dividend Option	
Super Institutional Plan - Weekly Dividend Option	1,002.3754
- Lowest	
Retail Plan - Bonus Option	1,000.0000
Retail Plan - Daily Dividend Option	1,000.0000
Retail Plan - Growth Option	1,000.0000
Retail Plan - Monthly Dividend Option	1,000.0000
Retail Plan - Quarterly Dividend Option	
Retail Plan - Weekly Dividend Option	1,000.0000
Institutional Plan - Bonus Option	

PERSPECTIVE HISTORICAL PER UNIT STATISTICS FOR THE PERIOD ENDED MARCH 31, 2008. (Contd.)

	September 18, 2007 to March 31, 2008 Rupees
Institutional Plan - Daily Dividend Option	1,000.0000
Institutional Plan - Growth Option	1,000.0000
Institutional Plan - Monthly Dividend Option	
Institutional Plan - Quarterly Dividend Option	
Institutional Plan - Weekly Dividend Option	1,000.0000
Super Institutional Plan - Bonus Option	
Super Institutional Plan - Daily Dividend Option	1,000.0000
Super Institutional Plan - Growth Option	1,000.0000
Super Institutional Plan - Monthly Dividend Option	
Super Institutional Plan - Quarterly Dividend Option	
Super Institutional Plan - Weekly Dividend Option	1,000.0000
(h) Price earnings ratio	N.A.
(i) Ratio of expenses to average daily net assets by percentage (annualised, excluding unrealised appreciation/depreciation on investments)	0.35
(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.)	8.38
* The above per unit calculations are based on the number of units in issue at the end of the financial period	