

## AUDITORS' REPORT

To the Board of Directors of Trustees of

AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG INFRASTRUCTURE AND ECONOMIC REFORM FUND

1. We have audited the attached balance sheet of AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG INFRASTRUCTURE AND ECONOMIC REFORM 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 deficit 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
<b>Assets</b>		
Investments	1	3,661,153,686
Other Current Assets	2	210,783,269
Accumulated Unit Discount, Net	5	1,761,043
Net Deficit	4	640,977,370
<b>TOTAL</b>		<b>4,514,675,368</b>
<b>Liabilities</b>		
Unit Capital	3	4,473,244,361
Current Liabilities and Provisions	6	41,431,007
<b>TOTAL</b>		<b>4,514,675,368</b>

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
	Retail Growth Option Rupees	Retail Dividend Option Rupees	Total Rupees	Institutional Growth Option Rupees	Institutional Dividend Option Rupees	Total Rupees	Grand Total Rupees
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	1,415,682,983	1,178,148,798	2,593,831,781	808,359,006	428,315,161	1,236,674,167	3,830,505,948
Number of Units in Issue	165,351,862.075	137,607,573.999		94,365,000.000	50,000,000.000		
<b>Net Asset Value per Unit</b>	<b>8.562</b>	<b>8.562</b>		<b>8.566</b>	<b>8.566</b>		

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/-  
**Tushar Pradhan**  
Fund Manager

Mumbai, June 30, 2008

**Revenue Account for the period January 10, 2008 to March 31, 2008**

Schedule	January 10, 2008 to March 31, 2008 Rupees
<b>Income And Gains</b>	
Dividends (Note 2.4)	2,265,845
Interest and Discount	14,607,278
<b>TOTAL</b>	<b>16,873,123</b>
<b>Expenses And Losses</b>	
Net Unrealised Depreciation in Value of Investments	657,783,946
Loss on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)	15,506,775
Loss on Interscheme transfer/sale of Investments (Note 2.4)	8,687
Investment Management and Advisory Fees (Note 3)	4,165,055
Trustee Fees (Note 4)	39,480
Registrar and Transfer Agent Fees	631,814
Custodian Fees and Expenses (Note 5)	72,206
Audit Fees	173,271
Selling and Distribution Expenses	2,440,092
Other Operating Expenses	958,637
	<b>681,779,963</b>
Net Surplus for the Period	(664,906,840)
<b>Net Surplus including Net Unrealised Depreciation in Value of Investments</b>	<b>(664,906,840)</b>

	Jan 10, 2008 to March 31, 2008			Jan 10, 2008 to March 31, 2008			Grand Total Rupees
	Retail Growth Option Rupees	Retail Dividend Option Rupees	Total Rupees	Institutional Growth Option Rupees	Institutional Dividend Option Rupees	Total Rupees	
Net Surplus including Net Change in Unrealised Depreciation in Value of Investments by Option	(237,012,304)	(205,063,703)	(442,076,007)	(151,145,994)	(71,684,839)	(222,830,833)	(664,906,840)
Dividend Distributions	-	-	-	-	-	-	-
Transfer From Income Equalisation Reserve (Note 2.6)	994,261	7,081,709	8,075,970	15,853,500	-	15,853,500	23,929,470
<b>Balance Transferred to Reserve Fund</b>	<b>(236,018,043)</b>	<b>(197,981,994)</b>	<b>(434,000,037)</b>	<b>(135,292,494)</b>	<b>(71,684,839)</b>	<b>(206,977,333)</b>	<b>(640,977,370)</b>

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

Sd/-  
**Sunil Mehta**  
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Chief Executive Officer

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**N. Rangachary**  
Director

Sd/-  
**Nanoo Pamnani**  
Director

Sd/-  
**Tushar Pradhan**  
Fund Manager

Mumbai, June 30, 2008

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**Schedules to the Financial Statements for the period January 10, 2008 to March 31, 2008.**


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	March 31, 2008	
	Cost Rupees	Market / Fair Value Rupees
<b>Schedule 1</b>		
<b>Investments</b>		
<b>(Notes 2.3,8 and 9)</b>		
<b>(Refer to the attached statement of Portfolio Holding as at March 31,2008)</b>		
Equity Shares	4,318,937,632	3,661,153,686
<b>Total</b>	<b>4,318,937,632</b>	<b>3,661,153,686</b>
<b>Schedule 2</b>		
<b>Other Current Assets</b>		
Balance with Banks in Current Account		4,896,733
Reverse Repos		184,132,482
Sales Contracts Awaiting Completion - Equity Shares		18,315,950
Unit Subscription Receivable		2,007,544
Switch Receivable		1,266,150.00
Interest Receivable on :		
- Reverse Repo		33,531
Receivable from the Investment Manager		130,879
<b>Total</b>		<b>210,783,269</b>

**Schedules to the Financial Statements for the period January 10, 2008 to March 31, 2008.**
**Schedule 3**

Unit Capital	Retail Growth Option		Retail Dividend Option		Institutional Growth Option		Institutional Dividend Option		Rupees	Units
	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units		
<b>Issued and Subscribed :</b> Units of Rs. 10 each fully paid up Initial Issue Amount	1,632,143,734	163,214,373.375	1,387,178,204	138,717,820.399	1,093,650,000	109,365,000.000	500,000,000	50,000,000.000	4,612,971,938	461,297,193.774
<b>Outstanding :</b> Initial issue and subscription Issued during the period	1,632,143,734	163,214,373.375	1,387,178,204	138,717,820.399	1,093,650,000	109,365,000.000	500,000,000	50,000,000.000	4,612,971,938	461,297,193.774
	32,402,592	3,240,259.200	58,169,719	5,816,971.900	-	-	-	-	90,572,311	9,057,231.100
	1,664,546,326	166,454,632.575	1,445,347,923	144,534,792.299	1,093,650,000	109,365,000.000	500,000,000	50,000,000.000	4,703,544,249	470,354,424.874
Redeemed during the period	11,027,705	1,102,770.500	69,272,183	6,927,218.300	150,000,000	15,000,000.000	-	-	230,299,888	23,029,988.800
At the end of the period	1,653,518,621	165,351,862.075	1,376,075,740	137,607,573.999	943,650,000	94,365,000.000	500,000,000	50,000,000.000	4,473,244,361	447,324,436.074
									<b>Grand Total</b>	

**Schedules to the Financial Statements for the period January 10, 2008 to March 31, 2008.**
**March 31, 2008**  
**Rupees**
**Schedule 4**
**Reserves and Surplus**
**Reserve Fund**

Balance Transferred from Revenue Account	(640,977,370)
At the end of the period [including net unrealised appreciation in value of investments Rs. Nil.]	(640,977,370)
<b>TOTAL</b>	<b>(640,977,370)</b>

**Schedule 5**
**Unit Premium / Discount Reserve (Note 2.5)**

Added during the year/period	(1,761,043)
At the end of the Period <b>TOTAL</b>	<b>(1,761,043)</b>

**Schedule 6**
**Current Liabilities and Provisions**
**Current Liabilities**

Investment Management and Advisory Fees	3,523,876
Trustee Fees	33,154
Registrar and Transfer Agent Fees	612,683
Custodian Fees	72,206
Audit Fees	162,557
Selling and Distribution Expenses	2,931,170
Unit Redemption Payable	30,948,326
Load pending utilisation (Note 2.7)	1,805,323
Others	1,341,712
<b>TOTAL</b>	<b>41,431,007</b>

**Schedule 7**
**Interest and Discount (Note 2.4)**
**January 10, 2007**  
**to March 31, 2008**  
**Rupees**

Debentures/Bonds	135,263
Securitised Debt	289,395
CBLO	4,116,516
Certificate of Deposit / Commercial Papers	9,570,869
Reverse Repos	495,235
<b>TOTAL</b>	<b>14,607,278</b>

**Schedule 8**
**Unrealised Appreciation in Value of Investments (Note 8)**

Equity Shares	
At the end of the period	(657,783,946)
<b>Net change in unrealised appreciation in value of investments during the year/period</b>	<b>(657,783,946)</b>

**9. 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
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>				
<b>a) Listed / Awaiting listing on Stock Exchanges</b>				
<b>Banks</b>	<b>1,060,934</b>	<b>4,478</b>	<b>11.69</b>	<b>12.24</b>
State Bank of India	100,000	1,600	4.18	4.37
ICICI Bank Ltd.	160,000	1,231	3.21	3.36
Oriental Bank of Commerce	500,934	888	2.32	2.43
Bank of India	300,000	759	1.98	2.07
<b>Cement</b>	<b>60,000</b>	<b>1,545</b>	<b>4.03</b>	<b>4.22</b>
Grasim Industries Ltd.	60,000	1,545	4.03	4.22
<b>Construction</b>	<b>1,463,746</b>	<b>5,989</b>	<b>15.64</b>	<b>16.35</b>
IVRCL Infrastructures and Projects Ltd.	375,721	1,524	3.98	4.16
Simplex Infrastructures Ltd.	198,095	1,216	3.18	3.32
Punj Lloyd Ltd.	300,000	933	2.43	2.55
Sobha Developers Ltd.	148,821	898	2.35	2.45
Unitech Ltd.	300,000	829	2.16	2.26
Gayatri Projects Ltd.	141,109	589	1.54	1.61
<b>Diversified</b>	<b>55,000</b>	<b>1,670</b>	<b>4.36</b>	<b>4.56</b>
Larsen & Toubro Ltd.	55,000	1,670	4.36	4.56
<b>Ferrous Metals</b>	<b>500,000</b>	<b>1,528</b>	<b>3.99</b>	<b>4.17</b>
Maharashtra Seamless Ltd.	500,000	1,528	3.99	4.17
<b>Finance</b>	<b>1,159,618</b>	<b>1,756</b>	<b>4.58</b>	<b>4.80</b>
Power Finance Corporation Ltd.	700,000	1,135	2.96	3.10
SREI Infrastructure Finance Ltd.	459,618	621	1.62	1.70
<b>Gas</b>	<b>776,052</b>	<b>1,017</b>	<b>2.66</b>	<b>2.78</b>
Indraprastha Gas Ltd.	776,052	1,017	2.66	2.78
<b>Industrial Capital Goods</b>	<b>1,753,717</b>	<b>9,834</b>	<b>25.69</b>	<b>26.86</b>
ABB Ltd.	135,400	1,598	4.17	4.36
Bharat Heavy Electricals Ltd.	60,000	1,237	3.23	3.38
Elecon Engineering Company Ltd.	549,050	1,080	2.82	2.95
Alstom Projects India Ltd.	184,375	1,071	2.80	2.93
Bharat Bijlee Ltd.	42,394	1,069	2.79	2.92
Bharat Electronics Ltd.	100,000	1,067	2.79	2.92
ABG Shipyard Ltd.	143,108	1,052	2.75	2.87
EMCO Ltd.	412,790	880	2.30	2.40
Siemens Ltd.	126,600	780	2.04	2.13

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
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS (Contd.)</b>				
<b>Oil</b>	<b>160,472</b>	<b>1,029</b>	<b>2.69</b>	<b>2.81</b>
Great Offshore Ltd.	160,472	1,029	2.69	2.81
<b>Petroleum Products</b>	<b>50,000</b>	<b>1,133</b>	<b>2.96</b>	<b>3.09</b>
Reliance Industries Ltd.	50,000	1,133	2.96	3.09
<b>Pharmaceuticals</b>	<b>121,430</b>	<b>1,267</b>	<b>3.31</b>	<b>3.46</b>
Glaxo Smithkline Pharmaceuticals Ltd.	121,430	1,267	3.31	3.46
<b>Power</b>	<b>542,569</b>	<b>3,797</b>	<b>9.92</b>	<b>10.37</b>
CESC Ltd.	323,233	1,332	3.48	3.64
Tata Power Company Ltd.	108,236	1,268	3.31	3.46
Kalpataru Power Transmission Ltd.	111,100	1,197	3.13	3.27
<b>Transportation</b>	<b>90,795</b>	<b>1,567</b>	<b>4.09</b>	<b>4.28</b>
Container Corporation of India Ltd.	90,795	1,567	4.09	4.28
<b>Total</b>		<b>36,611</b>	<b>95.61</b>	<b>100.00</b>
<b>OTHER CURRENT ASSETS</b>		2,108	5.50	
<b>TOTAL ASSETS</b>		<b>38,719</b>	<b>101.11</b>	
<b>LESS : CURRENT LIABILITIES</b>		414	1.11	
<b>NET ASSETS</b>		<b>38,305</b>	<b>100.00</b>	

## Notes to the Financial Statements

### Schedule 9

#### 1. Organisation

AIG Infrastructure and Economic Reform Fund (the "Scheme") is an open-ended equity scheme of AIG Global Investment Group Mutual Fund (the "Fund") and was launched on January 10, 2008. 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 January 31, 2008. The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly (at least 65%) equity and equity-related securities of companies involved in economic development of India as a result of potential investments in infrastructure and unfolding economic reforms. The Scheme has two plans – Regular Plan and Institutional Plan and two options under each plan – Growth option and 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 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 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 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.

- Right entitlements are recognised as investments on the ex-rights date.
- Bonus entitlements are recognised as investments on the ex-bonus date.

##### 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").
- Traded Equity and Equity related Securities are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE). If a security is not traded on NSE, it will be valued at the last quoted closing price on Bombay Stock Exchange (BSE) or any other stock exchange (in that order).
- If a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price on NSE or BSE or other recognised stock exchange (in that order) on the earliest previous day would be used, provided such day is not more than thirty days prior to the valuation day.
- Thinly Traded, Non-traded and unlisted Equity are valued "in good faith" as determined, in accordance with the SEBI Regulations.

- 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.
- 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 1.05% 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 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 0.01% 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:

	<b>March 31, 2008</b>
	<b>(Rupees)</b>
Equity Shares	
- Appreciation	28,504,063.80
- Depreciation	686,288,010.21

**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. 14,555,392,115 and Rs.10,230,491,842 respectively being 3683.50% (annualized) and 2589.31% (annualized) of the average daily net assets.

**10. Income and Expenses**

The total loss (including net profit on sale of investments and net unrealized appreciation in the value of investments) and expenditure during the period is Rs.656,426,285 and 8,480,555 respectively being 166.27% (annualised) and 2.15% (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

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

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

Sd/-  
**Sunil Mehta**  
Director

Sd/-  
**N. Rangachary**  
Director

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

Sd/-  
**Saurabh Sonthalia**  
Chief Executive Officer

Sd/-  
**Nanoo Pamnani**  
Director

Sd/-  
**Tushar Pradhan**  
Fund Manager

Mumbai, June 30, 2008

**PERSPECTIVE HISTORICAL PER UNIT STATISTICS FOR THE PERIOD ENDED MARCH 31, 2008.**

**January 10, 2008 to  
March 31, 2008  
Rupees**

(a) Net asset value per unit at the end of the period (Note 2.5)	
Regular Growth	8.562
Regular Dividend	8.562
Institutional Growth	8.566
Institutional Dividend	8.566
(b) Gross Income	
(i) income other than profit on sale of investment	0.04
(ii) income from profit on inter scheme sales/transfer of investment	(0.00)
(iii) income (net) from profit on sale of investments to third party	(0.03)
(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)	0.02
(d) Net Income (excluding change in unrealised depreciation in investments)	-0.02
(e) Unrealised appreciation / (depreciation) in value of investments	-1.47
(f) Redemption price	
- Highest	
Regular Growth	9.456
Regular Dividend	9.955
Institutional Growth	8.898
Institutional Dividend	N.A.
- Lowest	
Regular Growth	7.881
Regular Dividend	7.881
Institutional Growth	8.898
Institutional Dividend	N.A.
(g) Purchase price	
- Highest	
Regular Growth	10.344
Regular Dividend	10.344
Institutional Growth	10.000
Institutional Dividend	10.000
- Lowest	
Regular Growth	8.041
Regular Dividend	7.961
Institutional Growth	10.000
Institutional Dividend	10.000
(h) Price earnings ratio	N.A.
(i) Ratio of expenses to average daily net assets by percentage (annualised, excluding unrealised appreciation/depreciation on investments)	2.15
(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.)	-166.27

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