

AUDITORS' REPORT

To the Board of Directors of Trustees of

AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG SHORT TERM FUND

1. We have audited the attached balance sheet of AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG SHORT TERM 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	6,983,338,127
Other Current Assets	2	217,729,267
TOTAL		7,201,067,394
Liabilities		
Unit Capital	3	6,928,040,581
Reserves and Surplus	4	25,704,014
Current Liabilities and Provisions	5	247,322,799
TOTAL		7,201,067,394

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	March 31, 2008	March 31, 2008	March 31, 2008
	Retail Growth Option	Retail Bonus Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Total	Institutional Growth Option	Institutional Weekly Dividend Option	Institutional Monthly Dividend Option	Total	Grand Total
	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)	61,507,551	1,006,945	110,325,823	22,645,712	195,486,031	2,602,397,539	3,330,468,956	825,392,069	6,758,258,564	6,953,744,595
Number of Units in Issue	61,083.324	1,000.000	110,207.351	22,564.595		2,583,897.729	3,326,892.547	822,395.035		
Net Asset Value per Unit	1,006.9451	1,006.9451	1,001.0750	1,003.5949		1,007.1597	1,001.0750	1,003.6443		

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 February 29, 2008 to March 31, 2008

		February 29, 2008 to March 31, 2008 Rupees
Schedule		
Income And Gains		
Interest and Discount	6	33,640,625
TOTAL		33,640,625
Expenses And Losses		
Loss on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)		476,385
Loss on Interscheme transfer/sale of Investments (Note 2.4)		1,013,991
Investment Management and Advisory Fees (Note 3)		1,239,886
Trustee Fees (Note 4)		3,543
Registrar and Transfer Agent Fees		133,247
Custodian Fees (Note 5)		58,503
Audit Fees		26,819
Selling and Distribution Expenses		543,040
Other Operating Expenses		333,851
		3,829,265
Net Surplus for the Period		29,811,360
Net Unrealised Appreciation in Value of Investments	7	6,155,957
Net Surplus including Net Unrealised Appreciation in Value of Investments		35,967,317

	February 29, 2008 to March 31, 2008					February 29, 2008 to March 31, 2008				
	Retail Growth Option	Retail Bonus Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Total	Institutional Growth Option	Institutional Weekly Dividend Option	Institutional Monthly Dividend Option	Total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Surplus including Net Change in Unrealised Appreciation in Value of Investments by Option	300,039	6,945	703,403	148,102	1,158,489	10,534,751	20,580,042	3,694,035	34,808,828	35,967,317
Dividend Distributions	-	-	(547,540)	(61,442)	(608,982)	-	(15,194,381)	(1,179,007)	(16,373,388)	(16,982,370)
Dividend Tax thereon	-	-	(113,946)	(10,554)	(124,500)	-	(3,303,837)	(267,163)	(3,571,000)	(3,695,500)
Transfer From Income Equalisation Reserve (Note 2.6)	103,915	-	55,698	4,876	164,489	6,945,008	1,212,182	263,086	8,420,276	8,584,765
Balance Transferred to Reserve Fund	403,954	6,945	97,615	80,982	589,496	17,479,759	3,294,006	2,510,951	23,284,716	23,874,212

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
Director

Sd/-
Saurabh Sonthalia
Chief Executive Officer

Sd/-
N. Rangachary
Director

Sd/-
Nanoo Pamnani
Director

Sd/-
Sandeep Bagla
Fund Manager

Mumbai, June 30, 2008

Schedules to the Financial Statements for the period February 29, 2008 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	211,736,038	211,736,000
Non Convertible Debentures / Bonds Listed / Awaiting Listing	1,267,730,428	1,271,550,479
Securitised Debt	637,706,918	640,861,965
Government of India Securities	252,559,166	250,100,000
Certificate of Deposit	4,462,244,475	4,463,884,538
Reverse Repo Transaction	145,205,145	145,205,145
	<u>6,977,182,170</u>	<u>6,983,338,127</u>

Schedule 2**Other Current Assets**

Balance with Banks in Current Account		4,304,214
Sales Contracts Awaiting Completion - Government Securities		50,803,236
Unit Subscription Receivable		133,750,002
Switch Receivable		20.00
Interest Receivable on :		
- Debentures/Bonds		22,736,553
- Securitised Debt		1,161,563
- Government Securities		4,947,236
- Reverse Repo		26,443
		<u>217,729,267</u>

Schedules to the Financial Statements for the period February 29, 2008 to March 31, 2008

 Schedule 3
 Unit Capital

	Retail Growth Option		Retail Bonus Option		Retail Weekly Dividend		Retail Monthly Dividend Option		Institutional Growth Option		Institutional Weekly Dividend Option		Institutional Monthly Dividend Option		Grand Total	
	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units
Issued and Subscribed :																
Units of Rs.10 each fully paid up- Initial Issue Amount	38,296,133	38,296,133	1,000,000	1,000,000	33,593,589	33,593,589	19,250,000	19,250,000	8,40,079,572	8,40,079,572	2,538,676,247	2,538,676,247	481,000,000	481,000,000	3,951,895,541	3,951,895,541
Outstanding :																
Initial issue and subscription	38,296,133	38,296,133	1,000,000	1,000,000	33,593,589	33,593,589	19,250,000	19,250,000	8,40,079,572	8,40,079,572	2,538,676,247	2,538,676,247	481,000,000	481,000,000	3,951,895,541	3,951,895,541
Issued during the period	27,785,747	27,785,747	-	-	116,691,950	116,691,950	3,314,595	3,314,595	1,773,818,157	1,773,818,157	921,142,813	921,142,813	434,895,035	434,895,035	3,277,648,297	3,277,648,297
	66,081,880	66,081,880	1,000,000	1,000,000	150,285,539	150,285,539	22,564,595	22,564,595	2,613,897,729	2,613,897,729	3,459,819,060	3,459,819,060	915,895,035	915,895,035	7,229,543,838	7,229,543,838
Redeemed during the period	4,998,556	4,998,556	-	-	40,078,188	40,078,188	-	-	30,000,000	30,000,000	132,926,513	132,926,513	93,500,000	93,500,000	301,503,257	301,503,257
At the end of the period	61,083,324	61,083,324	1,000,000	1,000,000	110,207,351	110,207,351	22,564,595	22,564,595	2,583,897,729	2,583,897,729	3,326,892,547	3,326,892,547	822,395,035	822,395,035	6,928,040,581	6,928,040,581

Schedules to the Financial Statements for the period February 29, 2008 to March 31, 2008
March 31, 2008
Rupees
Schedule 4
Reserves and Surplus
Unit Premium Reserve (Note 2.5)

Added during the year/period

1,829,802

At the end of the Period

1,829,802

Reserve Fund

Balance Transferred from Revenue Account

23,874,212

At the end of the period [including net unrealised appreciation in value of investments Rs. 6,155,957]

23,874,212

TOTAL
25,704,014
Schedule 5
Current Liabilities and Provisions
Current Liabilities

Investment Management and Advisory Fees

1,239,886

Trustee Fees

3,543

Registrar and Transfer Agent Fees

133,247

Custodian Fees

58,503

Audit Fees

26,819

Selling and Distribution Expenses

543,040

Dividend Distribution Tax

2,853,314

Purchase Contracts Awaiting Completion - Certificate of Deposit

229,471,750

Unit Redemption Payable

12,577,842

Others

414,855

247,322,799
February 29, 2008
to March 31, 2008
Rupees
Schedule 6
Interest and Discount (Note 2.4)

Debentures/Bonds

6,436,981

Securitised Debt

4,421,392

Government Securities

155,988

CBLO

2,068,368

Certificate of Deposit / Commercial Papers

19,610,392

Reverse Repos

947,504

33,640,625
February 29, 2008
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

(38)

Net change in unrealised appreciation in value of investments during the year/period

(38)

(b) Non Convertible Debentures / Bonds Listed / Awaiting Listing

At the end of the period

3,820,051

Net change in unrealised appreciation in value of investments during the year/period

3,820,051

(c) Securitised Debt

At the end of the period

3,155,047

Net change in unrealised appreciation in value of investments during the year/period

3,155,047

(d) Government of India Securities

At the end of the period

(2,459,166)

Net change in unrealised appreciation in value of investments during the year/period

(2,459,166)

(e) Certificate of Deposit

At the end of the period

1,640,063

Net change in unrealised appreciation in value of investments during the year/period

1,640,063

Total Net change in unrealised appreciation in value of investments during the year/period
6,155,957

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				
(a) Listed/Awaiting listing on the Stock Exchanges				
Finance	12,680,000	12,715	18.29	85.74
10.64% Tata Motors Finance Ltd. 13-07-2009	3,000,000	3,025	4.35	20.40
10.00 % Housing Development Finance Corp Ltd. 19-03-2010	2,500,000	2,532	3.64	17.07
IDFC Ltd. 09-07-2008	2,500,000	2,447	3.52	16.50
9.15% GE Capital Services India Ltd. 16-11-2009	2,000,000	2,001	2.88	13.49
9.90% Citifinancial Consumer Finance Ltd. 28-04-2009	1,000,000	1,011	1.45	6.82
9.25% Kotak Mahindra Prime Ltd. 10-04-2009	1,000,000	992	1.43	6.69
10.10%State Bank of India Call Date 12-09-2017 Mat 12-09-22	680,000	707	1.02	4.77
Privately Placed / Unlisted				
Finance	2,000,000	2,117	3.04	14.26
MIBOR + 210 GE Money Financial Services Ltd 28-01-2010	2,000,000	2,117	3.04	14.26
Total		14,832	21.33	100.00
PASS THROUGH CERTIFICATES				
Privately Placed / Unlisted				
Trust		6,409	9.22	100.00
Auto Securitisation Trust SR A3 20-10-2011 (Tata Motors Finance Ltd)	30	3,135	4.51	48.91
Collateralised Debt Trust Series 21 A1 29-04-2008 (Reliance Communications Ltd.)	23	2,286	3.29	35.67
Auto Securitisation Trust SR A2 20-10-2009 (Tata Motors Finance Ltd)	10	988	1.42	15.43
Total		6,409	9.22	100.02
CERTIFICATE OF DEPOSIT				
Banks		44,640	64.20	100.00
Canara Bank 25-03-2009	4,500,000	4,132	5.94	9.26
State Bank of Mysore 10-02-2009	4,000,000	3,715	5.34	8.32
ICICI Bank Ltd 23-06-2008	3,695,000	3,631	5.22	8.12
State Bank of Travancore 29-01-2009	3,400,000	3,165	4.55	7.09
ICICI Bank Ltd. 03-10-2008	2,500,000	2,398	3.45	5.37
Punjab National Bank 12-01-2009	2,500,000	2,338	3.36	5.24
Federal Bank Ltd 02-02-2009	2,500,000	2,321	3.34	5.20

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
NON CONVERTIBLE DEBENTURES / BONDS (Contd.)				
Punjab National Bank 24-02-2009	2,500,000	2,299	3.31	5.15
Allahabad Bank 03-03-2009	2,500,000	2,295	3.30	5.14
Oriental Bank of Commerce 25-03-2009	2,500,000	2,295	3.30	5.14
Industrial Development Bank of India 02-03-2009	2,500,000	2,294	3.30	5.14
Allahabad Bank 27-02-2009	2,500,000	2,294	3.30	5.14
Industrial Development Bank of India Ltd. 05-03-2009	2,500,000	2,292	3.30	5.14
Punjab National Bank 05-03-2009	2,500,000	2,290	3.29	5.13
ICICI Bank Ltd 10-03-2009	2,500,000	2,281	3.28	5.11
Industrial Development Bank of India Ltd. 26-03-2009	2,500,000	2,280	3.28	5.11
State Bank of Patiala 10-03-2009	2,000,000	1,843	2.65	4.13
ABN AMRO Bank N.V. 27-09-2008	500,000	477	0.69	1.07
		44,640	64.20	100.00
GOVERNMENT SECURITIES				
Sovereign		2,501	3.59	100.00
07.99% Central Government of India 09-07-2017	2,000,000	2,006	2.88	80.21
08.33% Central Government of India 07-06-2036	500,000	495	0.71	19.79
		2,501	3.59	100.00
REVERSE REPO		1,452	2.09	100.00
TOTAL		69,833	100.43	
OTHER CURRENT ASSETS		2,177	3.14	
TOTAL ASSETS		72,010	103.57	
LESS : CURRENT LIABILITIES		2,473	3.57	
NET ASSETS		69,537	100.00	

Notes to the Financial Statements

Schedule 8

1. Organisation

AIG Short Term Fund (the "Scheme") is an open-ended income scheme of AIG Global Investment Group Mutual Fund (the "Fund") and was launched on February 29, 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 March 04, 2008. The investment objective of the Scheme is to seek to generate income from a portfolio constituted of short to medium term debt and money market securities. The Scheme has two plans – Retail and Institutional and Four options under each plan – Growth, Bonus, Weekly Dividend & Monthly 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 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.

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 0.35% 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 0.001% 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	1,865,538.05
- Depreciation	225,474.68
Government Securities	
- Appreciation	
- Depreciation	2,459,166.43
Non Convertible Debentures	
- Appreciation	4,825,855.70
- Depreciation	1,005,842.42
Pass Through Certificate	
- Appreciation	3,155,047
- Depreciation	

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. 9,456,961,116 and Rs. 2,626,764,694 respectively being 2670.73% (annualized) and 741.82% (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. 38,306,206 and 2,338,887 respectively being 10.82% (annualised) and 0.66% (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* (Rupees in Lakhs)	Outstanding as at March 31, 2008 (At Market / Fair Value) (Rupees in Lakhs)
ICICI Bank Ltd.	AIGLF	AIGEF AIGLF AIGTPF AIGINFRA AIGSTF	8,342.10 35,085.78 59,666.86 1,872.20 8,279.89	1,715.76 5,538.92 5,511.36 1,231.04 8,309.75
State Bank of Patiala	AIGLF	AIGLF AIGTPF AIGINFRA AIGSTF	15,249.23 31,859.90 9,713.97 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.

February 29, 2008 to
March 31, 2008
Rupees

(a) Net asset value per unit at the end of the period (Note 2.5)	
Retail Plan - Bonus Option	1,006.9451
Retail Plan - Growth Option	1,006.9451
Retail Plan - Monthly Dividend Option	1,003.5949
Retail Plan - Weekly Dividend Option	1,001.0750
Institutional Plan - Bonus Option	N.A.
Institutional Plan - Growth Option	1,007.1597
Institutional Plan - Monthly Dividend Option	1,003.6443
Institutional Plan - Weekly Dividend Option	1,001.0750
(b) Gross Income	
(i) income other than profit on sale of investment	4.86
(ii) income from profit on inter scheme sales/transfer of investment	-0.15
(iii) income (net) from profit on sale of investments to third party	-0.07
(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)	0.34
(d) Net Income (excluding change in unrealised depreciation in investments)	4.30
(e) Unrealised appreciation / (depreciation) in value of investments	0.89
(f) Redemption price	
- Highest	
Retail Plan - Bonus Option	
Retail Plan - Growth Option	1004.3414
Retail Plan - Monthly Dividend Option	
Retail Plan - Weekly Dividend Option	1001.5443
Institutional Plan - Bonus Option	
Institutional Plan - Growth Option	1006.4515
Institutional Plan - Monthly Dividend Option	1004.2677
Institutional Plan - Weekly Dividend Option	1001.2377
- Lowest	
Retail Plan - Bonus Option	
Retail Plan - Growth Option	1004.1113
Retail Plan - Monthly Dividend Option	
Retail Plan - Weekly Dividend Option	1001.5443
Institutional Plan - Bonus Option	
Institutional Plan - Growth Option	1004.8302
Institutional Plan - Monthly Dividend Option	1004.2677
Institutional Plan - Weekly Dividend Option	1001.0000
(g) Purchase price	
- Highest	
Retail Plan - Bonus Option	1,000.0000
Retail Plan - Growth Option	1,006.9451
Retail Plan - Monthly Dividend Option	1,001.6799
Retail Plan - Weekly Dividend Option	1,002.9560
Institutional Plan - Bonus Option	
Institutional Plan - Growth Option	1,007.1597
Institutional Plan - Monthly Dividend Option	1,002.7426
Institutional Plan - Weekly Dividend Option	1,003.1767
- Lowest	
Retail Plan - Bonus Option	1,000.0000
Retail Plan - Growth Option	1,000.0000
Retail Plan - Monthly Dividend Option	1,000.0000
Retail Plan - Weekly Dividend Option	1,000.0000
Institutional Plan - Bonus Option	
Institutional Plan - Growth Option	1,000.0000
Institutional Plan - Monthly Dividend Option	1,000.0000
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)	0.66
(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.)	10.82
* The above per unit calculations are based on the number of units in issue at the end of the financial period	