

TRUSTEE'S REPORT FOR THE YEAR ENDED MARCH 31, 2009

Report from AIG Trustee Company (India) Private Limited to the Unit holders of the schemes of AIG Global Investment Group Mutual Fund

We have pleasure in presenting the Second Annual Report of the Schemes of AIG Global Investment Group Mutual Fund 'the Fund' for the year ended March 31, 2009 along with the audited financial statements for the schemes.

1. Investment Objectives and Operations of the Schemes :

As on March 31, 2009, the Fund had launched nine (9) schemes. These are AIG India Equity Fund, AIG Infrastructure and Economic Reform Fund, AIG India Liquid Fund, AIG India Treasury Fund, AIG Short Term Fund, AIG World Gold Fund, AIG Quarterly Interval Fund - Series I, AIG Quarterly Interval Fund - Series II and AIG Fixed Maturity Plan I - Series I.

Equity Schemes**i) AIG India Equity Fund**

AIG India Equity Fund is an open ended equity scheme.

The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity-related securities including equity derivatives.

The key features of the Scheme's investment strategy are that it follows an actively managed, bottom up stock picking approach with the flexibility to pursue opportunities across the entire market capitalization spectrum. It has no biases towards any particular style, sector or market capitalization. The philosophy is to invest in companies over the continuum of growth through value. Using a proprietary model that recognizes that the financial metrics to evaluate opportunities will vary based on the stage of the company's development, it builds a portfolio of attractively priced companies based on these metrics.

The performance of the Scheme is benchmarked against BSE-100 index.

ii) AIG Infrastructure and Economic Reform Fund

AIG Infrastructure and Economic Reform Fund is an open ended equity scheme.

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 key feature of the Scheme's investment strategy is to identify companies benefiting out of infrastructural investments and/or unfolding economic reforms. It endeavors to be adequately diversified across a number of sectors within the overall objective of the scheme to reduce concentration risk to any one or a group of related sectors.

The performance of the Scheme is benchmarked against BSE-100 index.

Debt Schemes**iii) AIG India Liquid Fund**

AIG India Liquid Fund is an open ended liquid scheme.

The primary 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 key feature of the Scheme's investment strategy is to deliver optimum returns commensurate with high liquidity and low credit risk by investing in money market securities having maturities of less than 91 days (as per SEBI circular, with effect from May 1, 2009).

The performance of the Scheme is benchmarked against Crisil Liquid Fund Index.

iv) **AIG India Treasury Fund**

AIG India Treasury Fund is an open ended income scheme.

The primary investment objective of the Scheme is to seek to generate optimal returns commensurate with low risk and a high degree of liquidity, from a portfolio constituted of debt securities and money market securities.

The scheme is an open ended income scheme that has the ability to invest in high quality debt securities with maturities greater than 91 days. This fund is positioned between the liquid fund and the short term fund with respect to Risk Return Matrix.

The performance of the Scheme is benchmarked against Crisil Liquid Fund Index.

v) **AIG Short Term Fund**

AIG Short Term Fund is an open ended income scheme.

The primary 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 is an open ended income scheme that has the ability to invest in medium term debt securities and to benefit from movements in interest rate as well as corporate bond spreads. This scheme also has the ability to take tactical exposures in government securities.

This fund endeavors to deliver higher returns through more active duration management and thus is positioned above AIG India Treasury Fund in terms of Risk Return Matrix.

The performance of the Scheme is benchmarked against CRISIL Short Term Bond Fund Index.

Fund of Funds Scheme

vi) **AIG World Gold Fund**

AIG World Gold Fund is an open ended Fund of Funds scheme.

The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units of Falcon Gold Equity Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes. The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time.

This is a fund of funds scheme that invests its entire corpus into Falcon Gold Equity Fund. From time to time a small portion of the corpus is invested in domestic short term debt and money market securities to meet local liquidity requirements.

Financial Times Gold Mines Total - Price Index, in USD is the benchmark of Falcon Gold Equity Fund. The performance of the Scheme is benchmarked against the above translated to INR using the RBI Reference Rate.

Interval Income Schemes

vii) **AIG Quarterly Interval Fund, Series I**

AIG Quarterly Interval Fund, Series I is an interval income scheme.

The investment objective of the Scheme is to generate returns while endeavoring to manage interest rate volatility over the interval period through a portfolio of fixed income securities.

This scheme is an interval income scheme which invests in high quality debt and money market securities to provide a reasonable return to investors whilst endeavoring to manage interest rate volatility over the interval period.

The performance of the Scheme is benchmarked against CRISIL Liquid Fund Index.

viii) AIG Quarterly Interval Fund, Series II

AIG Quarterly Interval Fund, Series II is an interval income scheme.

The investment objective of the Scheme is to generate returns while endeavoring to manage interest rate volatility over the interval period through a portfolio of fixed income securities.

This scheme is an interval income scheme which invests in high quality debt and money market securities to provide a reasonable return to investors whilst endeavoring to manage interest rate volatility over the interval period.

The performance of the Scheme is benchmarked against CRISIL Liquid Fund Index.

Close ended Income Scheme

ix) AIG Fixed Maturity Plan I, Series I

AIG Fixed Maturity Plan I, Series I is a close ended income scheme.

The investment objective of the Scheme is to generate returns while endeavoring to manage interest rate volatility over the maturity period through a portfolio of fixed income securities.

This scheme is a close ended income scheme which invests in high quality money market securities to give investors reasonable returns whilst endeavoring to manage interest rate volatility over the duration of the scheme.

The performance of the Scheme is benchmarked against CRISIL Short Term Bond Fund Index.

2. Scheme Performance :

The Assets Under Management (AUM), the allotment date and the performance of the schemes vis-a-vis their benchmark as on March 31, 2009 are as follows :

i) AIG India Equity Fund - An open ended equity scheme

As at March 31, 2009, the net assets of the scheme amounted to Rs. 378.86 crore.

The performance of AIG India Equity Fund is presented below :

	Returns# (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG India Equity Fund	-39.15	-24.99
BSE-100 index	-39.97	-20.85

Past performance may or may not be sustained in future.

Returns are of Regular Plan – Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: June 22, 2007

ii) AIG Infrastructure and Economic Reform Fund - An open ended equity scheme

As at March 31, 2009, the net assets of the scheme amounted to Rs. 158.33 crore.

The performance of AIG Infrastructure and Economic Reform Fund is presented below :

	Returns# (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG Infrastructure and Economic Reform Fund	-48.29	-52.37
BSE-100 index	-39.97	-43.42

Past performance may or may not be sustained in future.

Returns are of Regular Plan – Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: February 25, 2008

iii) **AIG India Liquid Fund - An open ended liquid scheme**

As at March 31, 2009, the net assets of the scheme amounted to Rs. 61.59 crore.

The performance of AIG India Liquid Fund is presented below :

	Returns# (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG India Liquid Fund	8.54	8.32
CRISIL Liquid Fund Index	8.81	8.14

Past performance may or may not be sustained in future.

Returns are of Retail Plan – Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: September 21, 2007

iv) **AIG India Treasury Fund - An open ended income scheme**

As at March 31, 2009, the net assets of the scheme amounted to Rs. 313.51 crore.

The performance of AIG India Treasury Fund is presented below :

	Returns# (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG India Treasury Fund	8.64	8.51
CRISIL Liquid Fund Index	8.81	8.14

Past performance may or may not be sustained in future.

Returns are of Retail Plan – Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: September 21, 2007

v) **AIG Short Term Fund - An open ended income scheme**

As at March 31, 2009, the net assets of the scheme amounted to Rs. 1.83 crore.

The performance of AIG Short Term Fund is presented below :

	Returns# (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG Short Term Fund	7.89	8.04
CRISIL Short Term Bond Fund Index	9.79	9.70

Past performance may or may not be sustained in future.

Returns are of Retail Plan – Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: March 6, 2008

vi) **AIG World Gold Fund – An open ended fund of funds scheme**

As at March 31, 2009, the net assets of the scheme amounted to Rs. 297.09 crore.

The performance of AIG World Gold Fund is presented below :

	Returns (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG World Gold Fund	NA	-8.89
Financial Times Gold Mines Total – Price Index (in INR)	NA	3.24

Past performance may or may not be sustained in future.

Returns are of Growth Option

Absolute Returns

Date of Inception/Allotment: June 6, 2008

vii) AIG Quarterly Interval Fund, Series I – An interval income scheme

As at March 31, 2009, the net assets of the scheme amounted to Rs. 0.23 crore.

The performance of AIG Quarterly Interval Fund Series - I is presented below :

	Returns (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG Quarterly Interval Fund Series - I	NA	5.85
CRISIL Liquid Fund Index	NA	5.70

Past performance may or may not be sustained in future.

Returns are of Retail Plan – Growth Option

Absolute Returns

Date of Inception/Allotment: August 21, 2008

viii) AIG Quarterly Interval Fund, Series II – An interval income scheme

As at March 31, 2009, the net assets of the scheme amounted to Rs. 0.17 crore.

The performance of AIG Quarterly Interval Fund Series - II is presented below :

	Returns (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG Quarterly Interval Fund Series - II	NA	6.41
CRISIL Liquid Fund Index	NA	5.54

Past performance may or may not be sustained in future.

Returns are of Retail Plan – Growth Option

Absolute Returns

Date of Inception/Allotment: August 28, 2008

ix) AIG Fixed Maturity Plan I, Series I – A close ended income scheme

As at March 31, 2009, the net assets of the scheme amounted to Rs. 92.59 crore.

The performance of AIG Fixed Maturity Plan I, Series – I is presented below :

	Returns (%) (Last 1 year)	Returns# (%) (Since Inception)
AIG Fixed Maturity Plan I, Series – I	NA	5.52
CRISIL Short Term Bond Fund Index	NA	7.35

Past performance may or may not be sustained in future.

Returns are of Retail Plan – Growth Option

Absolute Returns

Date of Inception/Allotment: September 11, 2008

Notes :

- Returns are calculated on Rs. 10/- invested on the allotment date for AIG India Equity Fund, AIG Infrastructure and Economic Reform Fund, AIG India Treasury Fund and AIG World Gold Fund.
- Returns are calculated on Rs. 1000/- invested on the allotment date for AIG India Liquid Fund, AIG Short Term Fund, AIG Quarterly Interval Fund, Series - I & II and AIG Fixed Maturity Plan I, Series – I.

3. Market Outlook :

Equities

The current financial year has started on a positive note with global credit conditions easing and private equity capital being available to companies. The Year to Date net FII inflow for the calendar year 2009 as on June 12, 2009 has been US\$ 5.78 billion. This has helped companies in reducing their leverage resulting in a bounce back from the market bottom. This was further accelerated in India by the election outcome whereby a single party and its close allies are forming a government. They should be able to execute economic policies which were an issue with the prior government. Given these positive macro economic conditions, Indian GDP growth should accelerate as the year progresses. This acceleration of GDP should help increase earnings of companies thereby sustaining the positive trend in equity markets.

Fixed Income

The bullishness in the Indian debt markets set in by the favorable outcome in the elections is quickly dissipating. The debt markets are coming to terms with the fact that the new Government may not be able to control the fiscal deficit as initially expected. Local rates are also pressured from rising rates around the globe as Governments around the world are borrowing more to stimulate their respective economies. In addition, global rates are also beginning to reflect the increasing fears of high inflation arising out of the zero-to-very low interest rate regimes followed by Central Bankers. As such, long-term interest rates in India are already on the upswing and are expected to rise further in the near term. Money market rates will remain soft in the near term from the surplus liquidity in the system – resulting from Reserve Bank of India's previous policy actions and reluctance of banks to lend on fears of rising defaults.

4. Brief background of Sponsors, Trust, Trustee Company and Asset Management Company :

a. AIG Global Investment Group Mutual Fund

AIG Global Investment Group Mutual Fund (AIGMF) was set up as a Trust by the Settler, AIG Capital Corporation on December 15, 2006 with AIG Trustee Company (India) Private Limited (the Trustee Company) as a Trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated December 15, 2006 with AIG Global Asset Management Company (India) Private Limited (the AMC) to function as the Investment Manager for all the Schemes of AIGMF. AIGMF was registered with SEBI on February 9, 2007.

b. AIG Trustee Company (India) Private Limited

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated thereunder are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

5. Effects of Events at the Ultimate Parent Company :

In September 2008, AIG Inc. (AIG) had to access emergency liquidity from the Federal Reserve Bank of New York (FRBNY). Pursuant to this AIG signed a revolving credit facility and a guarantee and a pledge agreement with FRBNY. Following this, AIG has issued Series C Perpetual Convertible participating preferred stock ("Series C Preferred Stock") to the AIG Credit Facility Trust that was established for the sole benefit of the United States Treasury. The Series C Preferred Stock will be convertible into and have voting and dividend rights equal to 77.9% of the issued and outstanding shares of the Common Stock of the AIG. AIG also issued to the United States Treasury, a 10 year warrant exercisable at any time for the shares equal to 2% of the issued and outstanding shares of the Common Stock of AIG as on the date of the investment.

The management of AIG also formulated a restructuring plan for AIG, which included the sale of various businesses of AIG in order to be able to repay the credit facility of FRBNY. This included the divestment of AIG Investments, its asset management business.

AIG Global Investment Group Mutual Fund is part of AIG Investments.

AIG Investments has now selected financial partners and has entered into a period of exclusivity during which the financial partners will finalize their due diligence and negotiate a definitive purchase / sale agreement. The financial partners selected by AIG Investments includes a major, diversified asset management company that plans to purchase a meaningful minority stake, as well as a leading private equity firm with specific expertise in the asset management industry and with which AIG Investments has an existing relationship.

6. Significant Accounting Policies :

Accounting policies are in accordance with Securities Exchange Board of India (Mutual Fund) Regulations 1996.

7. Unclaimed Dividends & Redemptions :

Summary of No. of Investors & Corresponding amount scheme wise :

Name of the Scheme	Unclaimed Dividends as on March 31, 2009		Unclaimed Redemptions as on March 31, 2009	
	Amount (Rs.)	No. of Investors	Amount (Rs.)	No. of Investors
AIG Infrastructure and Economic Reform Fund	Nil	Nil	28,120.20	5
AIG India Equity Fund	Nil	Nil	5,77,437.27	24
AIG India Liquid Fund	2,497.64	1	Nil	Nil

8. Statutory Information :

- a. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 lakh for setting up the Fund, and such other accretions / additions to the same.
- b. The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- c. Full Annual Report shall be disclosed on the website (www.aiginvestments.co.in) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

9. Acknowledgements :

The Trustees wish to thank the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), and the Association of Mutual Funds in India (AMFI) for their support and directions. The Trustees would also like to thank the Fund's Auditors, Custodian, Registrar & Transfer Agent, Bankers, Distributors, Brokers, Channel Partners and all other service providers for their invaluable support. The Trustees also wish to thank all unit holders for their support.

For and on behalf of AIG Global Investment Group Mutual Fund

N. Rangachary
Director

Sunil Behari Mathur
Director

Place : Mumbai

Date : June 18, 2009

RISK FACTORS & STATUTORY DETAILS

Sr. No.	Name of the Scheme	Type of the Scheme and Investment Objective
1.	AIG India Equity Fund	An Open Ended Equity Scheme; Investment Objective: To generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity-related securities including equity derivatives.
2.	AIG India Liquid Fund	An Open Ended Liquid Scheme; Investment Objective: 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.
3.	AIG India Treasury Fund	An Open Ended Income Scheme; Investment Objective: To seek to generate optimal returns commensurate with low risk and a high liquidity, from a portfolio constituted of debt securities and money market securities.
4.	AIG Infrastructure and Economic Reform Fund	An Open Ended Equity Scheme; Investment Objective: 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.
5.	AIG Short Term Fund	An Open Ended Income Scheme; Investment Objective: The primary 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.
6.	AIG World Gold Fund	An Open Ended Fund of Funds Scheme; Investment Objective: To provide long term capital appreciation by investing predominantly in units of Falcon Gold Equity Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes. The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time.
7.	AIG Quarterly Interval Fund, Series I & II	An Interval Income Scheme; Investment Objective: To seek to generate returns while endeavoring to manage interest rate volatility over the interval period through a portfolio of fixed income securities.
8.	AIG Fixed Maturity Plan I - Series I	A Close Ended Income Scheme; Investment Objective: To generate returns while endeavouring to manage interest rate volatility over the maturity period through a portfolio of fixed income securities.

RISK FACTORS & STATUTORY DETAILS (Contd.)

Risk Factors: Mutual funds, like securities investments, are subject to market and other risks and there can be no guarantee against loss resulting from investment in the Schemes nor can there be any assurance that the Scheme's objectives will be achieved. As with any investment in securities, the NAV of the Units issued under the Schemes can go up or down depending on various factors and forces affecting the securities markets. Investments in the Schemes will be affected by trading volumes, settlement periods, volatility, price fluctuations, inability to sell securities, disinvestment of holdings of any unlisted stocks prior to target date of disinvestment, credit risk, currency risk, country risk, interest rate risk and default risk including possible loss of principal. As the price / value / interest rates of the securities in which the schemes invest fluctuate, the value of your investment in the schemes may go up or down. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the schemes.

AIG India Equity Fund, AIG India Liquid Fund, AIG India Treasury Fund, AIG Infrastructure and Economic Reform Fund, AIG Short Term Fund, AIG World Gold Fund*, AIG Quarterly Interval Fund, Series I & II and AIG Fixed Maturity Plan I - Series I are the names of the Schemes and do not, in any manner, indicate the quality of the Schemes, their future prospects or returns. The Sponsor is not responsible or liable for any loss resulting from the operation of the schemes beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund. The present schemes do not give any guaranteed or assured returns. The Schemes and individual Plan(s) with a separate portfolio, if any, under the respective Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). In case of non-fulfillment with either of the above two conditions, specified SEBI Guidelines in this regard would be complied with. Please read the Scheme Information Document of the respective Scheme(s) carefully before investing.

* Being a Fund of Funds Scheme, it may be noted that the investors are bearing the recurring expenses of the scheme in addition to those of the underlying schemes. The Scheme invests predominantly in Falcon Gold Equity Fund. For scheme specific risks, including risks related to investments in Falcon Gold Equity Fund, and other similar overseas mutual funds(s), please refer the Scheme Information Document.

Statutory Details: AIG Global Investment Group Mutual Fund ('the Fund') has been established as a trust under the Indian Trusts Act, 1882, sponsored by AIG Capital Corporation (liability restricted to Rs. 1 lakh). AIG Trustee Company (India) Private Limited, a company incorporated under the Companies Act, 1956, with a limited liability is the Trustee to the Fund. AIG Global Asset Management Company (India) Private Limited, a company incorporated under the Companies Act, 1956, with a limited liability is the Investment Manager to the Fund.

AIG Investments is a group of international companies that provide investment advice and market asset management products and services to clients around the world. AIG Investments is a registered mark of American International Group, Inc. (AIG). Services and products are provided by one or more affiliates of AIG.