

AIG India Equity Fund | AIG World Gold Fund
AIG Infrastructure and Economic Reform Fund



WHY BUY GOLD WHEN YOU CAN BUY A GOLD MINE?



When gold prices rise, the profitability of gold mining companies tends to rise even faster. Consequently, at such times, shares of these companies are likely to outperform gold as a medium of investment.

The AIG World Gold Fund (an open ended Fund of Funds scheme) invests in companies engaged in the extracting, processing and marketing of gold and other precious metals through Falcon Gold Equity Fund based in Zurich.

Fund Performance (as on 31 December 2010)	1 Year	Since Inception
AIG World Gold Fund	32.74%	23.86%
FT Gold Mines Total - Price Index (in INR)*	19.02%	13.68%



Past performance may or may not be sustained in future.

~ An open ended Fund of Funds scheme ~

* Benchmark. Returns for a period equal to or greater than 1 year are Compounded Annualized (CAGR). The above returns are calculated for Growth option. As per SEBI standards of performance reporting, the since inception returns are calculated on Rs 10/- invested at inception. Inception Date: 6 June 2008.

"Falcon Gold Equity Fund wins Lipper Fund Awards 2010"

Falcon Gold Equity Fund, the underlying fund of AIG World Gold Fund, has been awarded **Best Fund two years in a row** at the Lipper Fund Awards 2010 in the category Equity Sector - Gold and Precious Metals for the 3 year and 5 year performance periods.

Past performance is no guarantee of future results.

Please visit www.lipperweb.com for Awards methodology.

To know more, log on to our website www.aiginvestments.co.in
Call us on 1800 200 3444.

Equity Markets

2010 ended on a high note but macroeconomic fundamentals deteriorated significantly during the year.

Inflation is accelerating rapidly and expectations of further tightening by the RBI is being anticipated. After reviewing the various parts of the economy, we offer the following outlook for 2011:

Consumption: This was one of the major drivers of India's economic growth. With increasing inflation and drop in real purchasing power, we see headwinds developing in this sector. Also, due to significant volatility in raw material prices, margin impact can be significant for the companies.

Investments: Infrastructure investments which was the fastest growing segment has seen considerable slowdown and delays. Rising interest rates as well as increase in commodity prices will further squeeze the margins of these companies. Corporate capital expenditure is expected to accelerate as many industries are facing capacity constraints.

Exports: With the developed world stabilizing, we expect export growth to accelerate.

Commodities: Again with supply disruptions and accelerating developed world demand, we see upward pressure in commodities.

We would be trying to take advantage of these trends as the year unfolds.

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

**AIG INDIA
EQUITY FUND**

PORTFOLIO

as on 31 December 2010

Name of the Instrument	Sector	% to NAV
EQUITY & EQUITY RELATED INSTRUMENTS		
Infosys Technologies Ltd.	Software	5.24
Dr. Reddy's Laboratories Ltd.	Pharmaceuticals	4.82
Bajaj Auto Ltd.	Auto	4.58
Sun TV Network Ltd.	Media & Entertainment	4.14
Hero Honda Motors Ltd.	Auto	3.84
Colgate Palmolive (India) Ltd.	Consumer Non Durables	3.82
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	3.78
Bharat Electronics Ltd.	Industrial Capital Goods	3.47
Torrent Power Ltd.	Power	3.21
GAIL (India) Ltd.	Gas	3.10
Total of Top 10 Equity Holdings		39.99
Oracle Financial Services Software Ltd.	Software	2.98
Maruti Suzuki India Ltd.	Auto	2.95
Bosch Ltd.	Auto Ancillaries	2.92
Asian Paints Ltd.	Consumer Non Durables	2.51
Castrol India Ltd.	Petroleum Products	2.39
Coromandel International Ltd.	Fertilisers	2.37
Bharti Airtel Ltd.	Telecom Services	2.34
VA Tech Wabag Ltd.	Engineering Services	2.34
Shree Cement Ltd.	Cement	2.10
Larsen & Toubro Ltd.	Construction Project	2.01
Total of Top 20 Equity Holdings		64.90
AIA Engineering Ltd.	Industrial Capital Goods	1.99
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	1.91
Jindal Steel & Power Ltd.	Ferrous Metals	1.86
Indraprastha Gas Ltd.	Gas	1.81
HDFC Bank Ltd.	Banks	1.70
Redington India Ltd.	Hardware	1.53
Andhra Bank	Banks	1.53
Mundra Port and Special Economic Zone Ltd.	Transportation	1.43
Jet Airways (India) Ltd.	Transportation	1.41
Bharat Petroleum Corporation Ltd.	Petroleum Products	1.24
Hindustan Petroleum Corporation Ltd.	Petroleum Products	1.23
Glaxo Smithkline Pharmaceuticals Ltd.	Pharmaceuticals	1.23
Mphasis Ltd.	Software	1.14
Exide Industries Ltd.	Auto Ancillaries	1.10
Power Grid Corporation of India Ltd.	Power	1.09
Siemens Ltd.	Industrial Capital Goods	1.07
Britannia Industries Ltd.	Consumer Non Durables	0.80
Punjab National Bank	Banks	0.77
Cummins India Ltd.	Industrial Products	0.57
Hindustan Zinc Ltd.	Non - Ferrous Metals	0.53
Petronet LNG Ltd.	Gas	0.43
Nestle India Ltd.	Consumer Non Durables	0.37
National Aluminium Company Ltd.	Non - Ferrous Metals	0.14
TOTAL EQUITY HOLDINGS		91.77
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT		8.23
GRAND TOTAL		100.00

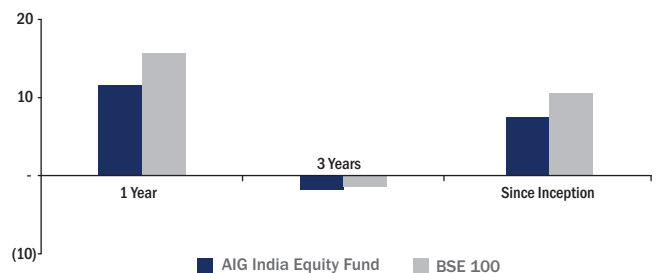
Fund Corpus: Rs. 206.97 crore (as on 31 December 2010)

Fund Activity

- We bought HDFC Bank, Andhra Bank
- We sold Punjab National Bank, Shree Cement

PERFORMANCE (%)

as on 31 December 2010



Returns for a period equal to or greater than 1 Year are Compounded Annualised.

The returns calculated are for Regular Plan - Growth Option.

Note: As per SEBI standards for performance reporting, the since inception returns are calculated on Rs. 10/- invested at inception.

Inception Date: 22 June, 2007

Past performance may or may not be sustained in future.

NAV

as on 31 December 2010

Scheme Name	Rs.
AIG India Equity Fund - Reg - Dividend	12.911
AIG India Equity Fund - Reg - Growth	12.911

TOP 5 SECTORS

as on 31 December 2010

Sector	% of NAV
Auto	11.37
Pharmaceuticals	9.83
Software	9.36
Industrial Capital Goods	8.44
Consumer Non-Durable	7.50

AIG Infrastructure and Economic Reform Fund

(An open-ended equity scheme)



PORTFOLIO

as on 31 December 2010

Name of the Instrument	Sector	% to NAV
EQUITY & EQUITY RELATED INSTRUMENTS		
Indraprastha Gas Ltd.	Gas	6.67
Cummins India Ltd.	Industrial Products	6.07
Coromandel International Ltd.	Fertilisers	5.62
Bharat Electronics Ltd.	Industrial Capital Goods	5.20
Bharti Airtel Ltd.	Telecom Services	4.75
Torrent Power Ltd.	Power	4.52
Gujarat State Petronet Ltd.	Gas	4.11
Jet Airways (India) Ltd.	Transportation	3.73
GAIL (India) Ltd.	Gas	3.55
VA Tech Wabag Ltd.	Engineering Services	3.54
Total of Top 10 Equity Holdings		47.76
Alia Engineering Ltd.	Industrial Capital Goods	3.54
Power Grid Corporation of India Ltd.	Power	3.08
Mundra Port and Special Economic Zone Ltd.	Transportation	2.97
Andhra Bank	Banks	2.94
Larsen & Toubro Ltd.	Construction Project	2.90
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	2.82
Bharat Petroleum Corporation Ltd.	Petroleum Products	2.62
Shree Cement Ltd.	Cement	2.27
Hindustan Petroleum Corporation Ltd.	Petroleum Products	2.18
Jindal Steel & Power Ltd.	Ferrous Metals	1.98
Total of Top 20 Equity Holdings		75.06
Allahabad Bank	Banks	1.87
Siemens Ltd.	Industrial Capital Goods	1.20
TOTAL EQUITY HOLDINGS		78.12
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT		21.88
GRAND TOTAL		100.00

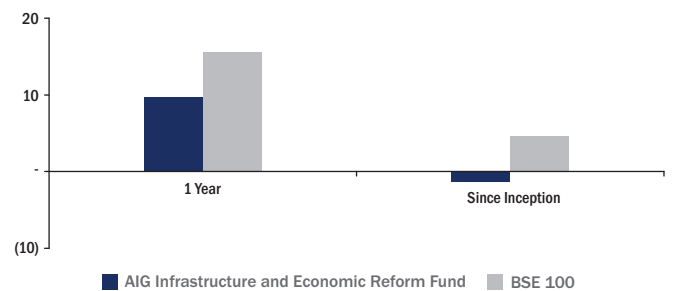
Fund Corpus: Rs. 143.49 crore (as on 31 December 2010)

Fund Activity

- We bought Power Grid Corporation, Andhra Bank
- We sold Thermax, Jindal Steel & Power

PERFORMANCE (%)

as on 31 December 2010



Returns for a period equal to or greater than 1 Year are Compounded Annualised.

The returns calculated are for Regular Plan - Growth Option.

Note: As per SEBI standards for performance reporting, the since inception returns are calculated on Rs. 10/- invested at inception.

Inception Date: 25 February, 2008

Past performance may or may not be sustained in future.

NAV

as on 31 December 2010

Scheme Name	Rs.
AIG Infrastructure and Economic Reform Fund - Reg - Dividend	9.632
AIG Infrastructure and Economic Reform Fund - Reg - Growth	9.632
AIG Infrastructure and Economic Reform Fund - IP - Dividend	9.813
AIG Infrastructure and Economic Reform Fund - IP - Growth	9.813

AIG World Gold Fund

(An open ended Fund of Funds scheme)



PORTFOLIO

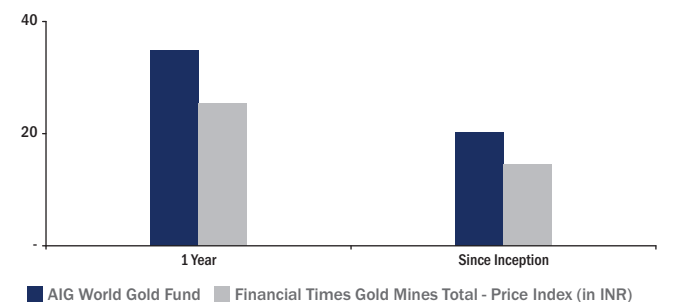
as on 31 December 2010

Name of the Instrument	% to NAV
Investments in Foreign Securities	
Falcon Gold Equity Fund Class "Asia A"	92.83
Total	92.83
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT	7.17
GRAND TOTAL	100.00

Fund Corpus: Rs. 218.06 crore (as on 31 December 2010)

PERFORMANCE (%)

as on 31 December 2010



Returns for a period equal to or greater than 1 Year are Compounded Annualised.

The returns calculated are for Growth Option.

Note: As per SEBI standards for performance reporting, the since inception returns are calculated on Rs. 10/- invested at inception.

Inception Date: 6 June, 2008

Past performance may or may not be sustained in future.

NAV

as on 31 December 2010

Scheme Name	Rs.
AIG World Gold Fund - Dividend	15.645
AIG World Gold Fund - Growth	15.645

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The views represent the opinion of the fund manager and are subject to change without notice. Neither AIG Global Asset Management Company (India) Private Limited (AIG AMC), nor any person connected with it accepts any liability arising from the use of this information. Recipients of the information contained herein should exercise due care and caution and read the Scheme Information Documents (including if necessary, obtaining the advice of tax / legal / accounting / financial / other professionals) and Statement of Additional Information prior to taking of any decision, acting or omitting to act, on the basis of the information contained herein.

AIG India Equity Fund:

Scheme Classification: An open-ended equity scheme. **Investment objective:** The primary 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. **Asset Allocation Pattern:** Equities and equity related securities: 80%-100%; Debt and money market securities / instruments / funds: 0% - 20%. **Load Structure:** Entry Load : N. A. Exit Load: 1% of the Applicable NAV if redeemed within 1 year from the date of allotment.

AIG Infrastructure and Economic Reform Fund:

Scheme Classification: An open ended equity scheme. **Investment objective:** 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. However there can be no assurance that the investment objective of the scheme will be realized as actual market movements may be at variance with anticipated trends. **Asset Allocation Pattern:** Equity and equity related securities: 80% to 100%; Debt & money market securities/instruments/funds: 0% to 20%. The fund would remain fully invested upto 95% in equity and equity related securities and will have only 5% in short term debt and money market instruments to meet short term liquidity requirements of the scheme. **Load Structure:** Entry Load : N. A. Exit Load: 1% of the Applicable NAV if redeemed within 1 year from the date of allotment.

AIG World Gold Fund:

Scheme Classification: An open ended Fund of Funds Scheme. **Investment objective:** 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. **Asset Allocation Pattern:** Units of Falcon Gold Equity Fund & /or other similar overseas mutual fund scheme(s): 80% - 100%; Debt and money market securities and / or units of debt / liquid schemes of Domestic Mutual Funds: 0% - 20%. # in the units of Falcon Gold Equity Fund, a mutual fund subject to Swiss law in the "securities funds" category as defined by the Investment Funds Act dated March 18, 1994. **Load Structure:** Entry Load : N. A. Exit Load: 1% of the Applicable NAV if redeemed within 1 year from the date of allotment. 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.

Common Information for the above mentioned schemes: No exit load shall be charged on Bonus units allotted and on units allotted on Reinvestment of Dividend.

Terms of issue: Units of the Scheme(s) are being offered at NAV based prices. Scheme Information Document, Key Information Memorandum and Application Forms / Transaction Slips are available at the ISCs / distributors.

General Services: Investors can contact any of the ISCs at its toll-free number 1800-200-3444. NAVs will be calculated and disclosed on all Business days.

Risk Factors: Mutual Funds, like securities investments, are subject to market risks and there is no guarantee against loss in the Schemes or that the Schemes' 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 market. 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 invests 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 Infrastructure and Economic Reform Fund and AIG World Gold Fund 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 return. In addition the schemes do not guarantee or assure any dividend and also does not guarantee or assure that they will make any dividend distribution, though they have every intention to make the same in the dividend option of the plans. All dividend distributions are subject to the investment performance of the Schemes. 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 respective Scheme Information Document and Statement of Additional Information carefully before investing.**

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.

www.aiginvestments.co.in

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