

**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 March 2011)	1 Year	Since Inception
AIG World Gold Fund	41.35%	17.23%
Financial Times Gold Mines Total - Price Index (in INR)*	27.35%	10.73%



~ An open ended Fund of Funds scheme ~

Past performance may or may not be sustained in future.

\* 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 ₹ 10/- invested at inception. Inception Date: 6 June 2008.

### “Falcon Gold Equity Fund wins the Lipper Fund Award again in 2011.”

Falcon Gold Equity Fund, the underlying fund of AIG World Gold Fund, has been awarded **Best Fund for the third consecutive year** at the Lipper Fund Awards 2011 in the category Equity Sector - Gold and Precious Metals for the 5 year performance period. The fund has also been awarded Best Fund in the same category for the 3 year performance period at the Lipper Fund Awards in 2009 and 2010. Please refer back page for awards methodology. **Past performance is no guarantee of future results.**

**To know more, call us at 1800 200 3444.**

## Equity Markets

Earthquakes, geopolitics, alleged scams ... black swans everywhere!

These events make for good newspaper headlines. But also make markets volatile. How should one look at these supposedly "rare" events and their implications when investing in equities? Many a time one finds it easier to describe the markets using a scientific discipline.

If we go back to our chemistry lessons of high school, we are taught about the properties of "solutions". When you add salt to water, it forms a solution of two compounds. When you add a little salt, the solution is termed "unsaturated". You then keep adding salt till it becomes "saturated". Adding more salt would be of no use as it will not get dissolved further. If at all more salt can be dissolved, then one needs to change something around the solution – like temperature, pressure etc. and then only more salt can be added which would then make it a "super saturated" solution. By the very nature, this super saturated solution is unstable and as soon as the external conditions return to normal, the excess salt will come out of the dissolved solution.

If we can use this understanding and apply the same to markets, we can then relate an "under valued" market to an "unsaturated" solution, "fully valued" to "saturated" solution and "over valued" to "super saturated" solution. In markets, super saturation happens when there is excessive optimism/speculation, very low interest rates etc. From this prism of valuation, if we observe the "black swan" events, the effect they can have on markets will depend on which state the market is in. If the market is already factoring a huge positive earnings growth and rising oil prices dent it (due to geopolitics), then the markets may come off when conditions change as in the case of a "super saturated" solution. But if the market is undervalued significantly, then the black swan events will have little impact.

Having said that, one also needs to understand the context of time in evaluating such events. For an investor who is investing for his retirement in a systematic way or is long term in his approach, such events should barely make a difference. But for an investor who wants to trade frequently or has borrowed money to invest, such events may warrant an action. If we can use the above framework, the former investor has a huge bucket of water and the latter one has a smaller pail of water for dissolving the same amount of salt. So even when markets are "over valued"/"saturated" from the latter's point of view, it is barely noticeable from the former's point of view.

Our suggestion to an investor who would like to participate in this glorious wealth creation process, that will unfold over many decades, would be to ignore such headlines and believe in human spirit that will overcome any eventuality.

We believe the recent correction in the markets both in absolute terms as well as in time-value terms provides for good opportunities to invest in select stocks. We are increasingly getting comfortable with such names where excessive pessimism has been built into prices and would look to add such names in the near future.

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

### PORTFOLIO

as on 31 March 2011

Name of the Instrument	Sector	% to NAV
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>		
Infosys Technologies Ltd.	Software	6.66
HDFC Bank Ltd.	Banks	5.43
Dr. Reddy's Laboratories Ltd.	Pharmaceuticals	5.02
Torrent Power Ltd.	Power	3.97
Jindal Steel & Power Ltd.	Ferrous Metals	3.96
Hero Honda Motors Ltd.	Auto	3.75
Bharti Airtel Ltd.	Telecom Services	3.68
Bharat Electronics Ltd.	Industrial Capital Goods	3.26
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	3.05
Bajaj Auto Ltd.	Auto	3.05
<b>Total of Top 10 Equity Holdings</b>		<b>41.82</b>
Petronet LNG Ltd.	Gas	3.03
Bosch Ltd.	Auto Ancillaries	3.02
Indraprastha Gas Ltd.	Gas	2.78
Coromandel International Ltd.	Fertilisers	2.59
Shree Cement Ltd.	Cement	2.45
Castrol India Ltd.	Petroleum Products	2.42
Oracle Financial Services Software Ltd.	Software	2.37
AIA Engineering Ltd.	Industrial Capital Goods	2.32
Andhra Bank	Banks	2.10
Glaxo Smithkline Pharmaceuticals Ltd.	Pharmaceuticals	2.09
<b>Total of Top 20 Equity Holdings</b>		<b>66.97</b>
GAIL (India) Ltd.	Gas	1.96
Redington India Ltd.	Hardware	1.79
Cummins India Ltd.	Industrial Products	1.65
Power Grid Corporation of India Ltd.	Power	1.65
Eicher Motors Ltd.	Auto	1.61
Mundra Port and Special Economic Zone Ltd.	Transportation	1.50
Bharat Petroleum Corporation Ltd.	Petroleum Products	1.38
Nestle India Ltd.	Consumer Non Durables	1.37
Mangalore Refinery and Petrochemicals Ltd.	Petroleum Products	1.34
Hindustan Zinc Ltd.	Non - Ferrous Metals	1.31
Siemens Ltd.	Industrial Capital Goods	1.27
Mphasis Ltd.	Software	0.96
Gujarat State Petronet Ltd.	Gas	0.57
Sun TV Network Ltd.	Media & Entertainment	0.30
Colgate Palmolive (India) Ltd.	Consumer Non Durables	0.07
<b>TOTAL EQUITY HOLDINGS</b>		<b>85.71</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>		<b>14.29</b>
<b>GRAND TOTAL</b>		<b>100.00</b>

**Fund Corpus:** ₹ 172.96 crore (as on 31 March 2011)

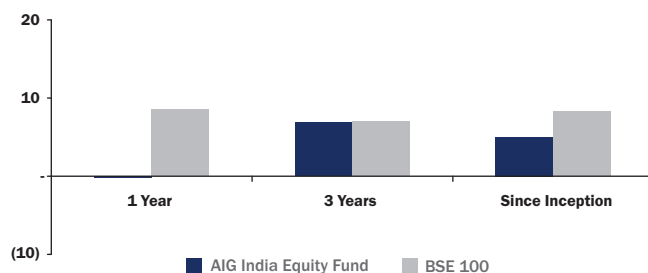
**Fund Manager:** Huzaifa Husain

### Fund Activity

- We bought Eicher Motors, Siemens
- We sold GAIL, HPCL

### PERFORMANCE (%)

as on 31 March 2011



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 ₹ 10/- invested at inception.

**Inception Date: 22 June, 2007**

Past performance may or may not be sustained in future.

### NAV

as on 31 March 2011

Scheme Name	₹
AIG India Equity Fund - Reg - Dividend	12.025
AIG India Equity Fund - Reg - Growth	12.025

### TOP 5 SECTORS

as on 31 March 2011

Sector	% of NAV
Pharmaceuticals	10.16
Software	9.98
Auto	8.40
Gas	8.33
Banks	7.53

## AIG Infrastructure and Economic Reform Fund

(An open-ended equity scheme)



### PORTFOLIO

as on 31 March 2011

Name of the Instrument	Sector	% to NAV
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>		
Bharti Airtel Ltd.	Telecom Services	8.12
Siemens Ltd.	Industrial Capital Goods	6.90
Coromandel International Ltd.	Fertilisers	5.49
Jindal Steel & Power Ltd.	Ferrous Metals	5.21
Power Grid Corporation of India Ltd.	Power	4.96
Cummins India Ltd.	Industrial Products	4.18
Petronet LNG Ltd.	Gas	4.08
Bharat Electronics Ltd.	Industrial Capital Goods	3.93
Gujarat State Petronet Ltd.	Gas	3.85
Torrent Power Ltd.	Power	3.74
<b>Total of Top 10 Equity Holdings</b>		<b>50.45</b>
Indraprastha Gas Ltd.	Gas	3.66
Shree Cement Ltd.	Cement	3.54
Andhra Bank	Banks	3.52
AIA Engineering Ltd.	Industrial Capital Goods	3.39
NTPC Ltd.	Power	2.93
Tata Power Company Ltd.	Power	2.91
Punjab National Bank	Banks	2.83
GAIL (India) Ltd.	Gas	2.09
Bharat Petroleum Corporation Ltd.	Petroleum Products	2.07
Allahabad Bank	Banks	2.01
<b>Total of Top 20 Equity Holdings</b>		<b>79.40</b>
Union Bank of India	Banks	1.89
Mundra Port and Special Economic Zone Ltd.	Transportation	1.76
Chambal Fertilizers & Chemicals Ltd.	Fertilisers	1.54
Corporation Bank	Banks	0.59
<b>TOTAL EQUITY HOLDINGS</b>		<b>85.20</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>		<b>14.80</b>
<b>GRAND TOTAL</b>		<b>100.00</b>

**Fund Corpus:** ₹ 128.52 crore (as on 31 March 2011)

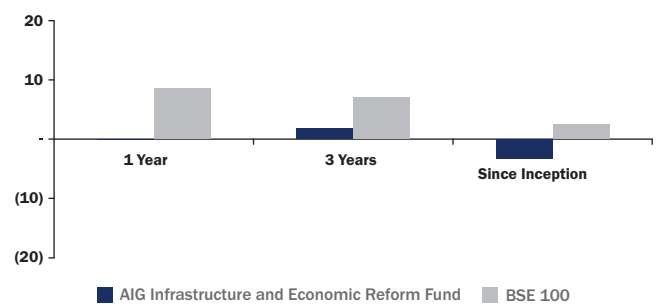
**Fund Manager:** Huzaifa Husain

### Fund Activity

- We bought Chambal Fertilizers, Petronet LNG
- We sold GAIL

### PERFORMANCE (%)

as on 31 March 2011



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 ₹ 10/- invested at inception.

**Inception Date: 25 February, 2008**

Past performance may or may not be sustained in future.

### NAV

as on 31 March 2011

Scheme Name	₹
AIG Infrastructure and Economic Reform Fund - Reg - Dividend	9.031
AIG Infrastructure and Economic Reform Fund - Reg - Growth	9.031
AIG Infrastructure and Economic Reform Fund - IP - Dividend	9.217
AIG Infrastructure and Economic Reform Fund - IP - Growth	9.217

## AIG World Gold Fund

(An open ended Fund of Funds scheme)



### PORTFOLIO

as on 31 March 2011

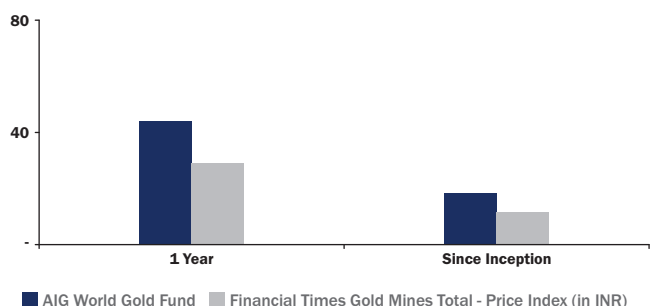
Name of the Instrument	% to NAV
<b>Investments in Foreign Securities</b>	
Falcon Gold Equity Fund Class "I Asia"	92.40
<b>Total</b>	<b>92.40</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>	<b>7.60</b>
<b>GRAND TOTAL</b>	<b>100.00</b>

**Fund Corpus:** ₹ 208.72 crore (as on 31 March 2011)

**Fund Manager:** Vikrant Mehta

### PERFORMANCE (%)

as on 31 March 2011



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 ₹ 10/- invested at inception.

**Inception Date: 6 June, 2008**

Past performance may or may not be sustained in future.

### NAV

as on 31 March 2011

Scheme Name	₹
AIG World Gold Fund - Dividend	14.115
AIG World Gold Fund - Growth	15.649

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#### **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.

**Awards Methodology:** The Lipper Fund Awards program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to peers. Lipper designates award-winning funds in most individual classifications for the three, five and ten-year periods. In addition, the Lipper Fund Awards program spotlights fund families with high average scores for all funds within a particular asset class or overall. The Lipper Awards 2011 highlights funds registered for sale in the respective country as of December 31, 2010 with at least 36 months of performance history as of the said date. For complete details on the Award methodology, visit [www.lipperweb.com](http://www.lipperweb.com).

**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 ₹ 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 ₹ 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](http://www.aiginvestments.co.in)

**AIG Investments®**

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