

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 May 2011)	1 Year	Since Inception
AIG World Gold Fund	23.66%	15.83%
Financial Times Gold Mines Total - Price Index (in INR)*	11.86%	9.84%



~ 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

What one hand giveth, the other taketh away

As oil price increases, the subsidy provided by the government increases and creates pressure on fiscal balances. The government, in order to provide for such large subsidies, may reduce expenditure especially on the discretionary side such as infrastructure. So eventually, any large subsidy will hurt the economy. But given the diversity of income levels in a country like India, targeted subsidy can be very positive for the overall economy. We are slowly but steadily seeing various anomalies being removed in allocation of subsidies. For example, in energy - coal and gas pricing is not market linked. The government is slowly removing the arbitrage whereby only regulated entities get to use the lower price energy whereas companies which sell their products at market prices need to pay market linked prices for coal/gas. Similarly, such adjustments are being made in fertilizer subsidies. And slowly, we believe the "Unique Identification number (UID)" project will then make targeting very efficient. These actions will remove a major hurdle in the path of economic growth.

Last quarter, the GDP number was slightly disappointing especially for the investment growth rate which dropped precipitously to 0.4%. This does not bode well if we need to tackle inflation. The good part of GDP growth is consumption growth which is averaging 8%+ and export growth which is averaging 16-17%. Given such good growth rates in these sectors, it is pertinent that investments pick up else we will hit major supply bottlenecks which will spiral up inflation. (source: www.mospi.gov.in, date: 31 May 2011)

There are some concerns in the market of potential slowdown etc. and the market has corrected a bit in May. We believe that this correction is limited to a few sectors where we had earlier raised concerns of overvaluation. Interestingly, we do feel the recent correction offers many opportunities for a patient investor as some stocks are available at low valuation multiple on a depressed earnings base. In spite of macro headwinds, we as bottom up investors feel that the present market is fairly valued and would recommend increasing allocation to equities.

AIG India Equity Fund

(An open-ended equity scheme)

AIG INDIA
EQUITY FUND

PORTFOLIO

as on 31 May 2011

Name of the Instrument	Sector	% to NAV
EQUITY & EQUITY RELATED INSTRUMENTS		
Hero Honda Motors Ltd.	Auto	5.86
HDFC Bank Ltd.	Banks	4.99
Infosys Technologies Ltd.	Software	4.70
Dr. Reddy's Laboratories Ltd.	Pharmaceuticals	4.38
Jindal Steel & Power Ltd.	Ferrous Metals	4.23
Torrent Power Ltd.	Power	4.09
Bharti Airtel Ltd.	Telecom Services	4.01
Petronet LNG Ltd.	Gas	3.53
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	3.42
Indraprastha Gas Ltd.	Gas	3.39
Total of Top 10 Equity Holdings		42.61
Bharat Electronics Ltd.	Industrial Capital Goods	3.35
Bosch Ltd.	Auto Ancillaries	3.30
Hindustan Zinc Ltd.	Non - Ferrous Metals	3.20
Coromandel International Ltd.	Fertilisers	2.96
Bajaj Auto Ltd.	Auto	2.92
AIA Engineering Ltd.	Industrial Capital Goods	2.49
Glaxo Smithkline Pharmaceuticals Ltd.	Pharmaceuticals	2.45
Shree Cement Ltd.	Cement	2.24
Castrol India Ltd.	Petroleum Products	2.24
Oracle Financial Services Software Ltd.	Software	2.21
Total of Top 20 Equity Holdings		69.97
Redington India Ltd.	Trading	2.20
Andhra Bank	Banks	2.08
Power Grid Corporation of India Ltd.	Power	1.90
Mundra Port and Special Economic Zone Ltd.	Transportation	1.85
Cummins India Ltd.	Industrial Products	1.70
Eicher Motors Ltd.	Auto	1.66
Mangalore Refinery and Petrochemicals Ltd.	Petroleum Products	1.60
Nestle India Ltd.	Consumer Non Durables	1.56
Coal India Ltd.	Minerals/Mining	1.54
Mphasis Ltd.	Software	1.13
Gujarat State Petronet Ltd.	Gas	0.61
Sun TV Network Ltd.	Media & Entertainment	0.52
Rural Electrification Corporation Ltd.	Finance	0.51
Corporation Bank	Banks	0.49
TOTAL EQUITY HOLDINGS		89.32
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT		10.68
GRAND TOTAL		100.00

Fund Corpus: ₹ 166.04 crore (as on 31 May 2011)

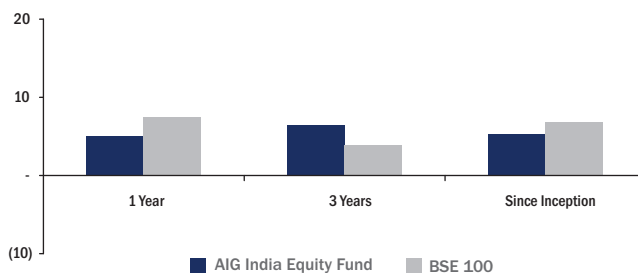
Fund Manager: Huzaifa Husain

Fund Activity

- We bought Corporation Bank, Infosys
- We sold State Bank of India, BPCL

PERFORMANCE (%)

as on 31 May 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 May 2011

Scheme Name	₹
AIG India Equity Fund - Reg - Dividend	12.261
AIG India Equity Fund - Reg - Growth	12.261

TOP 5 SECTORS

as on 31 May 2011

Sector	% of NAV
Auto	10.44
Pharmaceuticals	10.25
Software	8.04
Banks	7.56
Gas	7.53

AIG Infrastructure and Economic Reform Fund

(An open-ended equity scheme)



PORTFOLIO

as on 31 May 2011

Name of the Instrument	Sector	% to NAV
EQUITY & EQUITY RELATED INSTRUMENTS		
Bharti Airtel Ltd.	Telecom Services	7.04
Coromandel International Ltd.	Fertilisers	6.36
Power Grid Corporation of India Ltd.	Power	5.19
Jindal Steel & Power Ltd.	Ferrous Metals	5.12
Indraprastha Gas Ltd.	Gas	4.96
Petronet LNG Ltd.	Gas	4.82
Torrent Power Ltd.	Power	4.42
Cummins India Ltd.	Industrial Products	4.35
Gujarat State Petronet Ltd.	Gas	4.15
Bharat Electronics Ltd.	Industrial Capital Goods	4.10
Total of Top 10 Equity Holdings		50.51
NTPC Ltd.	Power	3.73
AIA Engineering Ltd.	Industrial Capital Goods	3.70
Andhra Bank	Banks	3.53
Shree Cement Ltd.	Cement	3.29
Tata Power Company Ltd.	Power	3.04
Mundra Port and Special Economic Zone Ltd.	Transportation	2.87
Gujarat Mineral Development Corporation Ltd.	Minerals/Mining	2.63
Chambal Fertilizers & Chemicals Ltd.	Fertilisers	2.33
Punjab National Bank	Banks	2.12
Allahabad Bank	Banks	1.82
Total of Top 20 Equity Holdings		79.58
Coal India Ltd.	Minerals/Mining	1.68
Union Bank of India	Banks	1.06
Rural Electrification Corporation Ltd.	Finance	1.05
Corporation Bank	Banks	1.03
Bharat Petroleum Corporation Ltd.	Petroleum Products	0.32
TOTAL EQUITY HOLDINGS		84.71
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT		15.29
GRAND TOTAL		100.00

Fund Corpus: ₹ 121.67 crore (as on 31 May 2011)

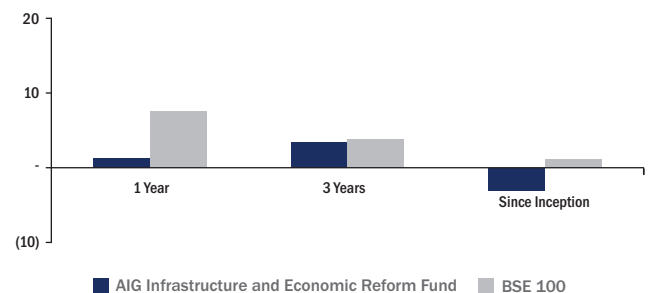
Fund Manager: Huzaifa Husain

Fund Activity

- We bought Coal India, Chambal Fertilizers
- We sold State Bank of India, BPCL

PERFORMANCE (%)

as on 31 May 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 May 2011

Scheme Name

Scheme Name	₹
AIG Infrastructure and Economic Reform Fund - Reg - Dividend	9.061
AIG Infrastructure and Economic Reform Fund - Reg - Growth	9.061
AIG Infrastructure and Economic Reform Fund - IP - Dividend	9.259
AIG Infrastructure and Economic Reform Fund - IP - Growth	9.259

AIG World Gold Fund

(An open ended Fund of Funds scheme)



PORTFOLIO

as on 31 May 2011

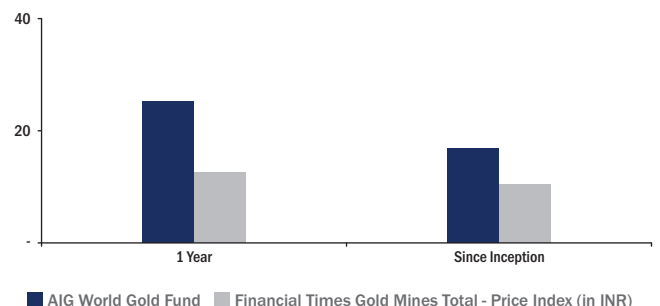
Name of the Instrument	% to NAV
Investments in Foreign Securities	
Falcon Gold Equity Fund Class "I Asia"	88.98
Total	88.98
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT	11.02
GRAND TOTAL	100.00

Fund Corpus: ₹ 214.90 crore (as on 31 May 2011)

Fund Manager: Vikrant Mehta

PERFORMANCE (%)

as on 31 May 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 May 2011

Scheme Name	₹
AIG World Gold Fund - Dividend	13.983
AIG World Gold Fund - Growth	15.502

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The views represent the opinion of the fund manager and are subject to change without notice. Parts of the views may be based on information received from sources we consider reliable. 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.

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.

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 Scheme Information Documents 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

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