

EQUITY MARKETS

Markets are on a roller coaster ride!

The more than expected hike in interest rates by RBI has caught everyone by surprise. Expectantly markets reacted negatively to this news. Attendant commentary from RBI points to the fact that it wants growth to come down and also see an erosion of pricing power by companies (in other words, lower "manufactured goods inflation"). Not good news from the equity markets point of view as companies' growth rates as well as margins may come under pressure. Also, rising interest rates may lead to many companies being unable to service their loans causing bad loans to increase. Though the situation looks bleak, high inflation on the other hand is a worse nightmare. Given a choice, the RBI decided to go down the present path.

From an equity investing point of view, one must be careful not to confuse short term macro-economic issues to affect long term earnings growth or long term competitiveness of various businesses. In fact, such times are some of the most opportune moments to look ahead and invest aggressively (circa late 2008!). Such times give an opportunity to invest in good companies at lower valuations. One should always remember that good times and bad times will always be present and challenging times separate the wheat from the chaff. Companies with robust business models and financial strength emerge stronger than competition during turbulent times, which ultimately determine future value creation by them. As portfolio managers, we use these "turbulent" times to stack up on such companies which may be facing near term earnings pressure but stand in good stead in the medium to long term.

We have made a small change in our portfolio disclosures for our equity schemes. As part of portfolio management, we regularly keep buying/selling stocks and sometimes we are unable to complete our transactions within a month and such names are visible in the portfolio as marginal names. We feel that disclosure of such names inhibits our ability to efficiently operate in markets and ultimately hurts your interest as investors in our fund. So from this month onwards, we will not be disclosing such positions (<2% of portfolio). Please note this does not apply to the mandatory full portfolio disclosures as required by Regulations on a periodic basis.

AIG India Equity Fund

(An open-ended equity scheme)

**AIG INDIA
EQUITY FUND**

PORTFOLIO

as on 29 July 2011

Name of the Instrument	Sector	% to NAV
EQUITY & EQUITY RELATED INSTRUMENTS		
Infosys Ltd.	Software	5.83
Hero Honda Motors Ltd.	Auto	5.59
HDFC Bank Ltd.	Banks	4.73
Petronet LNG Ltd.	Gas	4.56
Dr. Reddy's Laboratories Ltd.	Pharmaceuticals	4.40
Indraprastha Gas Ltd.	Gas	4.13
Torrent Power Ltd.	Power	3.87
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	3.81
Hindustan Zinc Ltd.	Non - Ferrous Metals	3.69
Bharat Electronics Ltd.	Industrial Capital Goods	3.63
Total of Top 10 Equity Holdings		44.24
Bharti Airtel Ltd.	Telecom Services	3.59
Bosch Ltd.	Auto Ancillaries	3.40
Jindal Steel & Power Ltd.	Ferrous Metals	3.31
Bajaj Auto Ltd.	Auto	3.26
Coromandel International Ltd.	Fertilisers	3.14
AIA Engineering Ltd.	Industrial Capital Goods	2.72
Redington India Ltd.	Trading	2.59
Glaxo Smithkline Pharmaceuticals Ltd.	Pharmaceuticals	2.53
Oracle Financial Services Software Ltd.	Software	2.16
Castrol India Ltd.	Petroleum Products	2.15
Power Grid Corporation of India Ltd.	Power	2.02
Andhra Bank	Banks	2.01
OTHER EQUITY HOLDINGS		17.37
TOTAL EQUITY HOLDINGS		94.50
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT		5.50
GRAND TOTAL		100.00

Fund Corpus: ₹ 162.08 crore (as on 29 July 2011)

Fund Manager: Huzaifa Husain

NAV (as on 29 July 2011): Reg - Div: ₹ 12.663 Reg - Gr: ₹ 12.663

FUND ACTIVITY

- We sold Shree Cement, Jindal Steel & Power

(The above is applicable only for stocks which comprise 2% or more of the portfolio as on closing date of the month)

PERFORMANCE (%)

as on 29 July 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.

SIP RETURNS

as on 29 July 2011

Period	1 Year	3 Years	Since Inception
SIP Start Date	7-Aug-2010	7-Aug-2008	22-June-2007
NAV as on 29 July 2011		12.663	
Total Amount Invested (₹)	1,20,000	3,60,000	5,00,000
Current Value (₹)	1,22,809	4,82,791	6,49,563
Yield (%)	4.57	20.35	12.72
Current Value (₹) if invested in BSE 100	1,13,803	4,42,276	5,97,453
Yield (%) - BSE 100	(9.85)	14.06	8.60

Notes & Assumptions

SIP of ₹ 10000/- per month; All SIPs are executed consecutively on the 7th of every month except for SIPs since inception where 1st SIP is on inception date of the fund; Entry Load has not been considered; All SIPs in Regular Plan - Growth Option; Yields are calculated on Internal Rate of Return (IRR) basis.

Past performance may or may not be sustained in future.

TOP 5 SECTORS

as on 29 July 2011

Sector	% of NAV
Pharmaceuticals	10.74
Auto	10.54
Gas	9.95
Software	8.81
Banks	8.65

The above 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 Infrastructure and Economic Reform Fund

(An open-ended equity scheme)



PORTFOLIO

as on 29 July 2011

Name of the Instrument	Sector	% to NAV
EQUITY & EQUITY RELATED INSTRUMENTS		
Coromandel International Ltd.	Fertilisers	6.60
Bharti Airtel Ltd.	Telecom Services	6.27
Petronet LNG Ltd.	Gas	6.08
Indraprastha Gas Ltd.	Gas	5.92
Power Grid Corporation of India Ltd.	Power	5.41
Bharat Electronics Ltd.	Industrial Capital Goods	4.38
Cummins India Ltd.	Industrial Products	4.07
Coal India Ltd.	Minerals/Mining	4.06
Torrent Power Ltd.	Power	3.75
Gujarat State Petronet Ltd.	Gas	3.71
Total of Top 10 Equity Holdings		50.25
Gujarat Mineral Development Corporation Ltd.	Minerals/Mining	3.58
AIA Engineering Ltd.	Industrial Capital Goods	3.56
Jindal Steel & Power Ltd.	Ferrous Metals	3.54
Tata Power Company Ltd.	Power	3.48
NTPC Ltd.	Power	3.41
Andhra Bank	Banks	3.34
Chambal Fertilizers & Chemicals Ltd.	Fertilisers	2.70
Mundra Port and Special Economic Zone Ltd.	Transportation	2.55
Punjab National Bank	Banks	2.18
Corporation Bank	Banks	2.14
OTHER EQUITY HOLDINGS		11.00
TOTAL EQUITY HOLDINGS		91.72
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT		8.28
GRAND TOTAL		100.00

FUND ACTIVITY

- We bought Coal India, Corporation Bank
- We sold Shree Cement, Jindal Steel & Power

(The above is applicable only for stocks which comprise 2% or more of the portfolio as on closing date of the month)

PERFORMANCE (%)

as on 29 July 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.

SIP RETURNS

as on 29 July 2011

Period	1 Year	3 Years	Since Inception
SIP Start Date	7-Aug-2010	7-Aug-2008	25-Feb-2008
NAV as on 29 July 2011		9.397	
Total Amount Invested (₹)	1,20,000	3,60,000	4,20,000
Current Value (₹)	1,20,423	4,67,962	5,37,186
Yield (%)	0.68	18.09	14.37
Current Value (₹) if invested in BSE 100	1,13,803	4,42,276	5,11,108
Yield (%) - BSE 100	(9.85)	14.06	11.40

Notes & Assumptions

SIP of ₹ 10000/- per month; All SIPs are executed consecutively on the 7th of every month except for SIPs since inception where 1st SIP is on inception date of the fund; Entry Load has not been considered; All SIPs in Regular Plan - Growth Option; Yields are calculated on Internal Rate of Return (IRR) basis.

Past performance may or may not be sustained in future.

NAV (as on 29 July 2011):

Reg - Div: ₹ 9.397 Reg - Gr: ₹ 9.397 IP - Div: ₹ 9.615 IP - Gr: ₹ 9.615

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.

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. 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 and AIG Infrastructure and Economic Reform 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 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.

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AIG World Gold Fund

(An open ended Fund of Funds scheme)



PORTFOLIO

as on 29 July 2011

Name of the Instrument	% to NAV
Investments in Foreign Securities	
Falcon Gold Equity Fund Class "I Asia"	88.65
Total	88.65
DEBT / MONEY MARKET / CASH & CASH EQUIVALENT	
	11.35
GRAND TOTAL	100.00

Fund Corpus: ₹ 210.95 crore (as on 29 July 2011)

Fund Manager: Vikrant Mehta

NAV (as on 29 July 2011):

Div: ₹ 13.685 | Gr: ₹ 15.172

FALCON GOLD EQUITY FUND (underlying fund of AIG World Gold Fund)

Portfolio Allocation - Regional as on 29 July 2011

Name of the Instrument	% to NAV
Australia	7.0
Canada	72.8
South Africa	2.9
U.S.	6.4
Other	8.6
Cash/Eq	2.3
Total	100.00

Top 10 Holdings

as on 29 July 2011

Name of the Instrument	% to NAV
Goldcorp	8.63
Kinross	6.16
Iamgold	5.60
Randgold	5.48
Newmont	4.90
Agnico-Eagle	4.90
New Gold	4.57
Newcrest	4.48
Osisko	4.22
Silver Wheaton	3.75
Total	52.68

PERFORMANCE (%)

as on 29 July 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.

SIP RETURNS

as on 29 July 2011

Period	1 Year	3 Years	Since Inception
SIP Start Date	7-Aug-2010	7-Aug-2008	6-June-2008
NAV as on 29 July 2011		15.172	
Total Amount Invested (₹)	1,20,000	3,60,000	3,80,000
Current Value (₹)	1,23,069	5,20,231	5,50,615
Yield (%)	5.00	25.86	24.54
Current Value (₹) if invested in Benchmark*	1,17,584	4,42,367	4,67,797
Yield (%) - Benchmark*	(3.88)	14.08	13.41

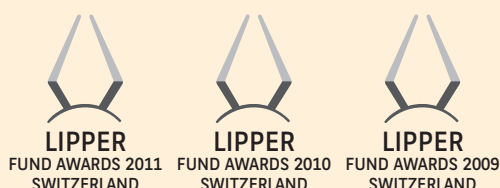
*Benchmark: Financial Times Gold Mines Total - Price Index (in INR)

Notes & Assumptions

SIP of ₹10000/- per month; All SIPs are executed consecutively on the 7th of every month except for SIPs since inception where 1st SIP is on inception date of the fund; Entry Load has not been considered; All SIPs in Growth Option; Yields are calculated on Internal Rate of Return (IRR) basis.

Past performance may or may not be sustained in future.

“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 below for awards methodology. **Past performance is no guarantee of future results.**

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.

AIG Short Term Fund

(An open ended income scheme)

AIG
SHORT
TERM
FUND

MARKET REVIEW

- Repo rate was raised by 50 bps to 8.00% during the first quarter monetary policy review.
- WPI Inflation for June 2011 rose to 9.4%, but April 2011 data was revised from 8.7% to 9.7%.
- Bank CD yields, which had eased prior to the policy review, retraced gains to a considerable extent.
- Credit spreads compressed on investor demand, limited issuance and on hardening of sovereign yields.
- 10Y benchmark sovereign bond breached the 8.25% - 8.35% range on the upside and came close to the 8.50% mark.

Source: RBI, Bloomberg, www.mospi.nic.in; Date: 29 July 2011.

FUND ACTIVITY & OUTLOOK

- Fall in yields in the run-up to the policy review provided opportunity to realize gains.
- Cash balances raised in the portfolio.

Policy rates expected to go up further by at least 25 bps over the next three months. July and August 2011 inflation data to influence policy action.

PORTFOLIO

as on 29 July 2011

Name of the Instrument	Type	Rating	% to NAV
Vijaya Bank Ltd.	CD	PR1+	27.05
HDFC Bank Ltd.	CD	PR1+	8.10
Axis Bank Ltd.	CD	P1+	5.33
Total			40.48
CASH & CASH EQUIVALENT			59.52
Total			59.52
Grand Total			100.00

CD - Certificate of Deposit

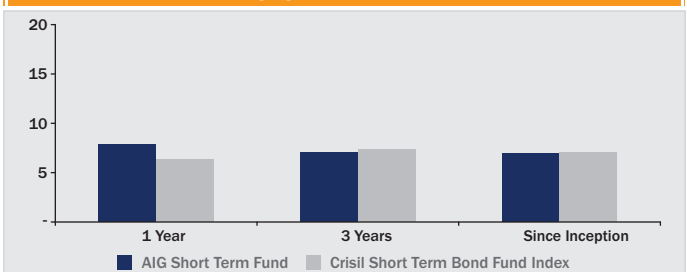
Weighted Average Maturity: 8 days (as on 29 July 2011)

Fund Corpus: ₹ 92.34 crore (as on 29 July 2011)

Fund Manager: Vikrant Mehta

PERFORMANCE (%)

as on 29 July 2011



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

The returns calculated are for Retail Plan - Growth Option.

Note: As per SEBI standards for performance reporting, the since inception returns are calculated on ₹ 1000/- invested at inception.

Inception Date: 6 March, 2008

Past performance may or may not be sustained in future.

NAV (as on 29 July 2011):

Ret - Gr: ₹ 1256.2507	Ret - Mthly Div: ₹ 1001.4158	Ret - Wkly Div: ₹ 1001.4158
IP - Gr: ₹ 1216.7329	IP - Mthly Div: ₹ 1001.4487	IP - Wkly Div: ₹ 1001.4487

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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.

AIG Short Term Fund:

Scheme Classification: 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. **Asset Allocation Pattern:** Debt* and money market securities with average maturity less than or equal to 370 days or have put options within a period not exceeding 370 days - 40% to 100%; Debt* Instruments including Government Securities, Corporate Debt and other debt Instruments with average maturity greater than 370 days - 0 % to 60 %. *Debt securities may include securitized debts upto 75% of the net assets. **Load Structure:** Entry load: NA; Exit load: 0.25% if redeemed within 90 days.

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. 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 World Gold Fund and AIG Short Term 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 Document and Statement of Additional Information carefully before investing.**

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