

## Equity Market Review

- It was a quiet month for fundamental news. A lot of fund raising by companies augurs well for improving balance sheets and future growth.
- Foreign investor purchases increased significantly last month.

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



### PORTFOLIO

as on 30 September 2009

Name of the Instrument	Sector	% to NAV
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>		
Shree Cement Ltd.	Cement	7.28
Bharti Airtel Ltd	Telecom Services	7.26
Jindal Steel & Power Ltd.	Ferrous Metals	7.24
Hero Honda Motors Ltd.	Auto	7.11
ALA Engineering Ltd.	Industrial Capital Goods	5.30
State Bank of India	Banks	5.18
Container Corporation of India Ltd.	Transportation	5.11
Jagran Prakashan Ltd	Media & Entertainment	3.99
Punjab National Bank	Banks	3.38
Infosys Technologies Ltd	Software	3.35
<b>Total of Top 10 Equity Holdings</b>		<b>55.19</b>
Maruti Suzuki India Ltd.	Auto	3.33
Glaxo Smithkline Pharmaceuticals Ltd.	Pharmaceuticals	3.26
Allahabad Bank	Banks	3.25
Thermax Ltd	Industrial Capital Goods	3.19
Bosch Limited	Auto Ancillaries	3.05
KSK Energy Ventures Ltd	Power	2.99
Colgate Palmolive (India) Ltd.	Consumer Non Durables	2.70
Sun TV Network Ltd	Media & Entertainment	2.55
Asian Paints Ltd	Consumer Non Durables	2.50
Sintex Industries Ltd	Industrial Products	2.23
<b>Total of Top 20 Equity holdings</b>		<b>84.23</b>
Cipla Ltd.	Pharmaceuticals	1.75
HDFC Bank Ltd.	Banks	1.73
Indian Overseas Bank Ltd.	Banks	1.66
Corporation Bank	Banks	1.60
Andhra Bank	Banks	1.55
Allcargo Global Logistics Ltd	Transportation	1.42
Godrej Consumers Products Ltd	Consumer Non Durables	0.92
ABB Ltd.	Industrial Capital Goods	0.55
Federal Bank Ltd	Banks	0.51
Indraprastha Gas Ltd.	Gas	0.31
Dabur India Ltd	Consumer Non Durables	0.29
Oracle Financial Services Software Ltd	Software	0.04
<b>TOTAL EQUITY HOLDINGS</b>		<b>96.57</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>		<b>3.43</b>
<b>GRAND TOTAL</b>		<b>100.00</b>

**Fund Corpus:** Rs. 496.09 crore (as on 30 September 2009)

### TOP 5 SECTORS

as on 30 September 2009

Sector	% of NAV
Banks	18.86
Auto	10.44
Industrial Capital Goods	9.04
Cement	7.28
Telecom Services	7.26

### Fund Activity

- We added Jagran Prakashan
- We reduced Union Bank of India, Shree Cement

### Outlook

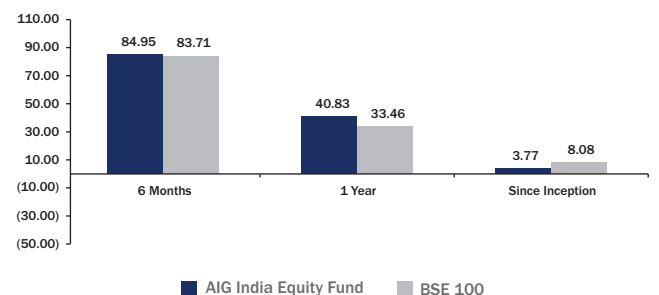
- Fundamentally, valuations have now discounted a full recovery. Although we are yet to see concrete data points indicating this recovery, we hope it happens.
- Lower credit growth remains a concern. For this financial year, banks have lent 20% of their deposit accretion to the private sector compared to 65% last year. Whereas, they have lent 69% of incremental deposits to the Government this year versus 15% last year.
- We have ensured that our portfolio takes advantage of companies benefiting from the stimulus measures, and is able to play the economic recovery as and when it happens.

### Fund Manager

Huzaifa Husain

### PERFORMANCE (%)

as on 30 September 2009



Returns for the period less than 1 year are Absolute and 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 30 September 2009

Scheme Name	Rs.
AIG India Equity Fund - Reg - Dividend	10.879
AIG India Equity Fund - Reg - Growth	10.879
AIG India Equity Fund - IP - Dividend	11.038

## AIG Infrastructure and Economic Reform Fund

(An open-ended equity scheme)



### PORTFOLIO

as on 30 September 2009

Name of the Instrument	Sector	% to NAV
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>		
Bharti Airtel Ltd.	Telecom Services	8.69
Jindal Steel & Power Ltd.	Ferrous Metals	7.17
State Bank of India	Banks	7.01
Thermax Ltd.	Industrial Capital Goods	6.17
Shree Cement Ltd.	Cement	5.72
Container Corporation of India Ltd.	Transportation	5.65
Bharat Electronics Ltd.	Industrial Capital Goods	4.60
KSK Energy Ventures Ltd.	Power	4.45
Allahabad Bank	Banks	4.27
Indraprastha Gas Ltd.	Gas	4.24
<b>Total of Top 10 Equity Holdings</b>		<b>57.96</b>
ABB Ltd.	Industrial Capital Goods	4.24
Simplex Infrastructures Ltd.	Construction	4.00
Oriental Bank of Commerce	Banks	3.81
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	3.72
AIA Engineering Ltd.	Industrial Capital Goods	3.33
Allcargo Global Logistics Ltd	Transportation	2.83
Larsen & Toubro Ltd.	Construction Project	2.70
Corporation Bank	Banks	2.53
Coromandel Fertilisers Ltd.	Fertilisers	2.00
Crompton Greaves Ltd.	Industrial Capital Goods	1.88
<b>TOTAL EQUITY HOLDINGS</b>		<b>88.98</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>		<b>11.02</b>
<b>GRAND TOTAL</b>		<b>100.00</b>

**Fund Corpus:** Rs. 250.63 crore (as on 30 September 2009)

### TOP 5 SECTORS

as on 30 September 2009

Sector	% of NAV
Industrial Capital Goods	23.93
Banks	17.61
Telecom Services	8.69
Transportation	8.48
Cement	5.72

### Fund Activity

- We added AIA Engineering
- We sold BOI, Grasim

### Outlook

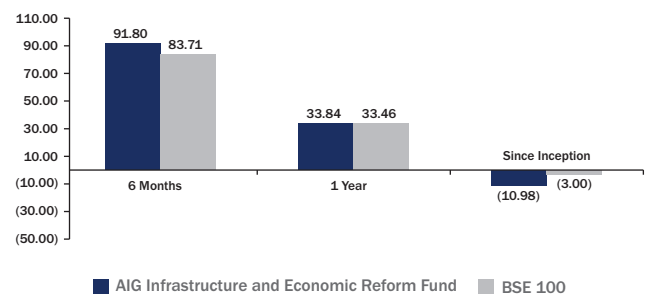
- Investment growth rate in the economy which used to be in double digits has dropped precipitously to 5% levels, and it is imperative that this goes up for the economy to grow.
- Telecom sector 3G auctions bode well for that sector. Similar policy actions are needed in other sectors to boost growth.
- Valuations in this sector are on the higher side because expectations are high in terms of earnings growth. We are monitoring execution of various projects especially Regulatory clearances, financial closures and land acquisitions.

### Fund Manager

Huzaifa Husain

### PERFORMANCE (%)

as on 30 September 2009



Returns for the period less than 1 year are Absolute and 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 30 September 2009

Scheme Name	Rs.
AIG Infrastructure and Economic Reform Fund - Reg - Dividend	8.305
AIG Infrastructure and Economic Reform Fund - Reg - Growth	8.305
AIG Infrastructure and Economic Reform Fund - IP - Dividend	8.392
AIG Infrastructure and Economic Reform Fund - IP - Growth	8.392

## AIG World Gold Fund

(An open ended Fund of Funds scheme)



### PORTFOLIO

as on 30 September 2009

Name of the Instrument	% to NAV
<b>Investments in Foreign Securities</b>	
Falcon Gold Equity Fund - Class "Asia A"	99.92
<b>Total</b>	<b>99.92</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>	<b>0.08</b>
<b>GRAND TOTAL</b>	<b>100.00</b>

**Fund Corpus:** Rs. 264.46 crore (as on 30 September 2009)

**Fund Manager:** Ruchir Parekh

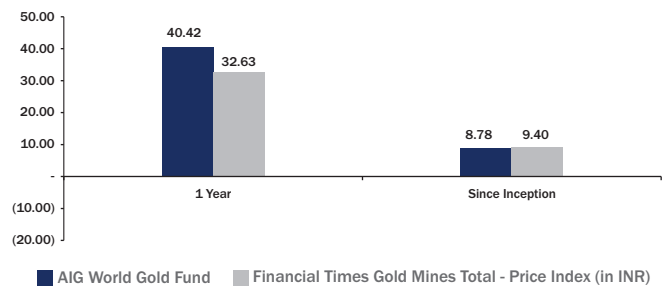
### NAV

as on 30 September 2009

Scheme Name	Rs.
AIG World Gold Fund - Dividend	11.173
AIG World Gold Fund - Growth	11.173

### PERFORMANCE (%)

as on 30 September 2009



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.

## Falcon Gold Equity Fund

(the underlying fund)

### Portfolio Composition

#### Top 10 Holdings (%)

Iamgold	9.50
Randgold	8.53
Agnico-Eagle	7.54
Goldcorp	7.33
Red Back Mining	4.78
Kinross	4.59
Silver Wheaton	3.99
Newcrest	3.07
Yamana Gold	2.57
New Gold	2.54

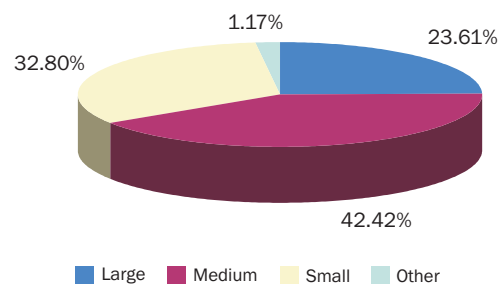
Above data as on 30 September 2009

### Portfolio Allocation

#### Metals

Metals	Allocation (%)
Gold	88.59
Silver	10.03
Platinum Group	0.21
Cash	1.17

### Market Capital



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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.

**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 1800-425- 3444 (MTNL / BSNL); 60003444 (Others). 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. 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](http://www.aiginvestments.co.in)

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