

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

### Equity Market Review

- RBI in its credit policy mentioned "it may be appropriate to sequence the 'exit' in a calibrated way so that while the recovery process is not hampered, inflation expectations remain anchored". Thus, the RBI has tightened norms for provisioning of bad loans, and reversed a lot of relaxations it had done last year during the crisis period.
- Due to easy money of prior years, a lot of excess capacity had been built and is now being underutilized resulting in price wars as witnessed in telecom sector.

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

**AIG INDIA**  
**EQUITY FUND**

### PORTFOLIO

as on 30 October 2009

Name of the Instrument	Sector	% to NAV
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>		
Hero Honda Motors Ltd.	Auto	7.55
Jindal Steel & Power Ltd.	Ferrous Metals	6.85
Shree Cement Ltd.	Cement	6.13
ALA Engineering Ltd.	Industrial Capital Goods	6.12
Container Corporation of India Ltd.	Transportation	5.33
Jagran Prakashan Ltd	Media & Entertainment	4.75
Glaxo Smithkline Pharmaceuticals Ltd.	Pharmaceuticals	3.73
Allahabad Bank	Banks	3.69
Bosch Limited	Auto Ancillaries	3.53
Bharti Airtel Ltd	Telecom Services	3.48
<b>Total of Top 10 Equity Holdings</b>		<b>51.15</b>
Colgate Palmolive (India) Ltd.	Consumer Non Durables	3.39
Asian Paints Ltd	Consumer Non Durables	3.32
KSK Energy Ventures Ltd	Power	3.29
Punjab National Bank	Banks	3.12
Maruti Suzuki India Ltd.	Auto	3.11
State Bank of India	Banks	3.11
Thermax Ltd	Industrial Capital Goods	2.88
Sun TV Network Ltd	Media & Entertainment	2.77
Oracle Financial Services Software Ltd	Software	2.48
Sintex Industries Ltd	Industrial Products	1.98
<b>Total of Top 20 Equity holdings</b>		<b>80.60</b>
HDFC Bank Ltd.	Banks	1.93
Andhra Bank	Banks	1.87
Allcargo Global Logistics Ltd	Transportation	1.57
Corporation Bank	Banks	1.17
Godrej Consumers Products Ltd	Consumer Non Durables	1.10
Dabur India Ltd	Consumer Non Durables	0.35
Indraprastha Gas Ltd.	Gas	0.34
<b>TOTAL EQUITY HOLDINGS</b>		<b>88.93</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>		<b>11.07</b>
<b>GRAND TOTAL</b>		<b>100.00</b>

### Fund Activity

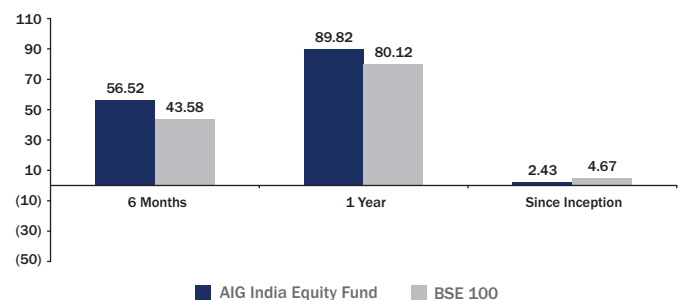
- We added Oracle
- We reduced Infosys, SBI

### Outlook

- There is a lot of debate worldwide about an "exit" from easy monetary policy as inflation expectations are rising. But with demand growth being very poor, we do not think it to be an immediate risk.
- Tightening of the banking sector is good for the long term but may impact short term risk taking abilities especially if bad loans need to be provided at the rate of 70%.
- Currently, we are having slightly higher than normal cash since we reduced exposure to the banking sector and are awaiting to redeploy the monies.

### PERFORMANCE (%)

as on 30 October 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.

**Fund Corpus:** Rs. 437.41 crore (as on 30 October 2009)

**Fund Manager:** Huzaifa Husain

### TOP 5 SECTORS

as on 30 October 2009

Sector	% of NAV
Banks	14.88
Auto	10.66
Industrial Capital Goods	9.00
Consumer Non Durables	8.16
Media & Entertainment	7.52

### NAV

as on 30 October 2009

Scheme Name	Rs.
AIG India Equity Fund - Reg - Dividend	10.582
AIG India Equity Fund - Reg - Growth	10.582
AIG India Equity Fund - IP - Dividend	10.742

## AIG Infrastructure and Economic Reform Fund

(An open-ended equity scheme)



### PORTFOLIO

as on 30 October 2009

Name of the Instrument	Sector	% to NAV
<b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>		
Jindal Steel & Power Ltd.	Ferrous Metals	8.25
Shree Cement Ltd.	Cement	5.80
Container Corporation of India Ltd.	Transportation	5.47
Thermax Ltd.	Industrial Capital Goods	5.19
Bharti Airtel Ltd.	Telecom Services	5.17
KSK Energy Ventures Ltd.	Power	4.55
Bharat Electronics Ltd.	Industrial Capital Goods	4.51
Allahabad Bank	Banks	4.49
ABB Ltd.	Industrial Capital Goods	4.38
Simplex Infrastructures Ltd.	Construction	4.35
<b>Total of Top 10 Equity Holdings</b>		<b>52.16</b>
Indraprastha Gas Ltd.	Gas	4.30
Lanco Infratech Ltd.	Construction Project	4.13
Oriental Bank of Commerce	Banks	4.05
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	3.73
State Bank of India	Banks	3.68
AIA Engineering Ltd.	Industrial Capital Goods	3.57
Allcargo Global Logistics Ltd.	Transportation	2.90
Corporation Bank	Banks	2.67
Larsen & Toubro Ltd.	Construction Project	2.64
Crompton Greaves Ltd.	Industrial Capital Goods	2.41
<b>Total of Top 20 Equity Holdings</b>		<b>86.24</b>
Coromandel International Ltd.	Fertilizers	2.18
<b>TOTAL EQUITY HOLDINGS</b>		<b>88.42</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>		<b>11.58</b>
<b>GRAND TOTAL</b>		<b>100.00</b>

### Fund Activity

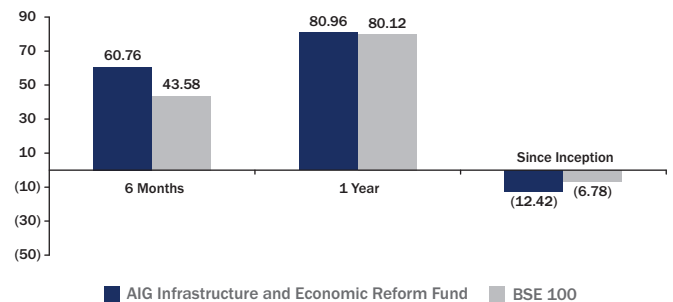
- We added Lanco
- We sold SBI, Bharti

### Outlook

- Idea Cellular in its latest quarterly release calls the telecom sector as **“Hyper Competitive and Over Capacitised Sector”**. Gross underutilization of existing capacity has resulted in a pricing war impacting our holding in Bharti. However, we think it will take time for such competitive pressures to come down, though we believe that Bharti is the most efficient, and has a diversified stream of revenue sources.
- Such excess capacity is also visible in many other sectors where pricing discipline is still there or in some cases starting to collapse. We see this as a big risk since an easy monetary policy will lead to more capacity creation.
- We are running higher than normal cash due to lack of opportunities and plan to deploy it as we see markets correcting.

### PERFORMANCE (%)

as on 30 October 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.

**Fund Corpus:** Rs. 237.99 crore (as on 30 October 2009)

**Fund Manager:** Huzaifa Husain

### NAV

as on 30 October 2009

Scheme Name	Rs.
AIG Infrastructure and Economic Reform Fund - Reg - Dividend	8.004
AIG Infrastructure and Economic Reform Fund - Reg - Growth	8.004
AIG Infrastructure and Economic Reform Fund - IP - Dividend	8.092
AIG Infrastructure and Economic Reform Fund - IP - Growth	8.092



## AIG World Gold Fund

(An open ended Fund of Funds scheme)

### PORTFOLIO

as on 30 October 2009

Name of the Instrument	% to NAV
<b>Investments in Foreign Securities</b>	
Falcon Gold Equity Fund Class "Asia A"	99.69
<b>Total</b>	<b>99.69</b>
<b>DEBT / MONEY MARKET / CASH &amp; CASH EQUIVALENT</b>	
	<b>0.31</b>
<b>GRAND TOTAL</b>	<b>100.00</b>

**Fund Corpus:** Rs. 232.71 crore (as on 30 October 2009)

**Fund Manager:** Ruchir Parekh

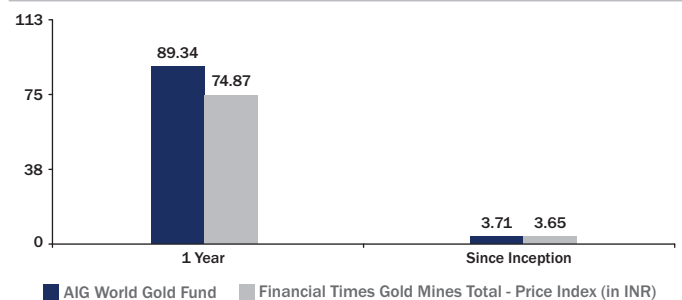
### NAV

as on 30 October 2009

Scheme Name	Rs.
AIG World Gold Fund - Dividend	10.523
AIG World Gold Fund - Growth	10.523

### PERFORMANCE (%)

as on 30 October 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	9.29
Randgold	8.53
Goldcorp	6.99
Agnico-Eagle	6.05
Red Back Mining	5.75
Silver Wheaton	4.12
Kinross	3.97
Newcrest	3.23
Lihir	2.68
New Gold	2.51

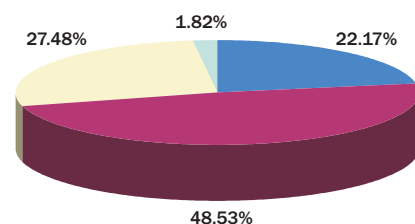
Above data as on 30 October 2009

### Portfolio Allocation

#### Metals

Metals	Allocation (%)
Gold	88.10
Silver	9.84
Platinum Group	0.23
Cash	1.82

### Market Capital



■ Large ■ Medium ■ Small ■ Others

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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.

[www.aiginvestments.co.in](http://www.aiginvestments.co.in)

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