

TRUSTEE'S REPORT FOR THE YEAR ENDED MARCH 31, 2010

Report from AIG Trustee Company (India) Private Limited to the Unit holders of the schemes of AIG Global Investment Group Mutual Fund

We have pleasure in presenting the Third Annual Report of the Schemes of AIG Global Investment Group Mutual Fund 'the Fund' for the year ended March 31, 2010 along with the audited financial statements for the schemes.

1. Investment Objectives and Operations of the Schemes:

As on March 31, 2010, the Fund had eight (8) schemes. These are AIG India Equity Fund, AIG Infrastructure and Economic Reform Fund, AIG India Liquid Fund, AIG India Treasury Fund, AIG Short Term Fund, AIG World Gold Fund, AIG Quarterly Interval Fund - Series I and AIG Quarterly Interval Fund - Series II.

AIG Fixed Maturity Plan I - Series I matured on September 14, 2009.

Equity Schemes

i) AIG India Equity Fund

AIG India Equity Fund is an open ended equity scheme.

The investment 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.

Future Outlook and Operation of the Scheme

The key features of the Scheme's investment strategy are that it follows an actively managed, bottom up stock picking approach with the flexibility to pursue opportunities across the entire market capitalization spectrum. It has no biases towards any particular style, sector or market capitalization. The philosophy is to invest in companies over the continuum of growth through value. Using a proprietary model that recognizes that the financial metrics to evaluate opportunities will vary based on the stage of the company's development, it builds a portfolio of attractively priced companies based on these metrics.

The performance of the Scheme is benchmarked against BSE-100.

ii) AIG Infrastructure and Economic Reform Fund

AIG Infrastructure and Economic Reform Fund is an open ended equity scheme.

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.

Future Outlook and Operation of the Scheme

The key feature of the Scheme's investment strategy is to identify companies benefiting out of infrastructural investments and/or unfolding economic reforms. It endeavors to be adequately diversified across a number of sectors within the overall objective of the scheme to reduce concentration risk to any one or a group of related sectors.

The performance of the Scheme is benchmarked against BSE-100.

Debt Schemes

iii) AIG India Liquid Fund

AIG India Liquid Fund is an open ended liquid scheme.

The primary investment objective of the Scheme is to seek to generate a reasonable return commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and short term debt securities.

Future Outlook and Operation of the Scheme

The key feature of the Scheme's investment strategy is to deliver optimum returns commensurate with high liquidity and low credit risk by investing in money market securities having maturities of less than 91 days.

The performance of the Scheme is benchmarked against Crisil Liquid Fund Index.

iv) AIG India Treasury Fund

AIG India Treasury Fund is an open ended income scheme.

The primary investment objective of the Scheme is to seek to generate optimal returns commensurate with low risk and a high degree of liquidity, from a portfolio constituted of debt and money market securities.

Future Outlook and Operation of the Scheme

The scheme has the ability to invest in high quality debt securities with maturities greater than 91 days. This fund is positioned between the liquid fund and the short term fund with respect to Risk Return Matrix.

The performance of the Scheme is benchmarked against Crisil Liquid Fund Index.

v) AIG Short Term Fund

AIG Short Term Fund is an open ended income scheme.

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.

Future Outlook and Operation of the Scheme

The scheme has the ability to invest in medium term debt securities and benefit from movements in interest rate as well as corporate bond spreads. The scheme also has the ability to take tactical exposures in government securities.

The scheme endeavors to deliver higher returns through more active duration management and is positioned above AIG India Treasury Fund in terms of Risk Return Matrix.

The performance of the Scheme is benchmarked against CRISIL Short Term Bond Fund Index.

Fund of Funds Scheme

vi) AIG World Gold Fund

AIG World Gold Fund is an open ended Fund of Funds scheme.

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. The Scheme may also invest certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time.

Future Outlook and Operation of the Scheme

This is a fund of funds scheme that invests its entire corpus into Falcon Gold Equity Fund. From time to time a small portion of the corpus is invested in domestic short term debt and money market securities to meet local liquidity requirements.

Financial Times Gold Mines Total - Price Index, in USD is the benchmark of Falcon Gold Equity Fund. The performance of the Scheme is benchmarked against the above translated to INR using the RBI Reference Rate.

Interval Income Schemes

vii) AIG Quarterly Interval Fund, Series I

AIG Quarterly Interval Fund, Series I is an interval income scheme.

The investment objective of the Scheme is to generate returns while endeavoring to manage interest rate volatility over the interval period through a portfolio of fixed income securities.

Future Outlook and Operation of the Scheme

The scheme invests in high quality debt and money market securities to provide a reasonable return to investors whilst endeavoring to manage interest rate volatility over the interval period.

The performance of the Scheme is benchmarked against CRISIL Liquid Fund Index.

viii) AIG Quarterly Interval Fund, Series II

AIG Quarterly Interval Fund, Series II is an interval income scheme.

The investment objective of the Scheme is to generate returns while endeavoring to manage interest rate volatility over the interval period through a portfolio of fixed income securities.

Future Outlook and Operation of the Scheme

The scheme invests in high quality debt and money market securities to provide a reasonable return to investors whilst endeavoring to manage interest rate volatility over the interval period.

The performance of the Scheme is benchmarked against CRISIL Liquid Fund Index.

2. Scheme Performance:

The Assets Under Management (AUM), the allotment date and the performance of the schemes vis-a-vis their benchmark as on March 31, 2010 are as follows:

i) AIG India Equity Fund - An open ended equity scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 361.82 crore.

The performance of AIG India Equity Fund is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG India Equity Fund	100.93	6.94
BSE-100	88.17	8.10

Past performance may or may not be sustained in future.

Returns are of Regular Plan - Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: June 22, 2007

ii) AIG Infrastructure and Economic Reform Fund - An open ended equity scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 243.82 crore.

The performance of AIG Infrastructure and Economic Reform Fund is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG Infrastructure and Economic Reform Fund	104.04	(4.73)
BSE-100	88.17	0.31

Past performance may or may not be sustained in future.

Returns are of Regular Plan - Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: February 25, 2008

iii) AIG India Liquid Fund - An open ended liquid scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 6.68 crore.

The performance of AIG India Liquid Fund is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG India Liquid Fund	3.91	6.56
CRISIL Liquid Fund Index	3.69	6.36

Past performance may or may not be sustained in future.

Returns are of Retail Plan - Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: September 21, 2007

iv) AIG India Treasury Fund - An open ended income scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 128.28 crore.

The performance of AIG India Treasury Fund is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG India Treasury Fund	4.68	6.98
CRISIL Liquid Fund Index	3.69	6.36

Past performance may or may not be sustained in future.

Returns are of Retail Plan - Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: September 21, 2007

v) AIG Short Term Fund - An open ended income scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 42.84 crore.

The performance of AIG Short Term Fund is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG Short Term Fund	5.77	6.94
CRISIL Short Term Bond Fund Index	5.88	7.84

Past performance may or may not be sustained in future.

Returns are of Retail Plan - Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: March 6, 2008

vi) AIG World Gold Fund - An open ended fund of funds scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 202.67 crore.

The performance of AIG World Gold Fund is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG World Gold Fund	21.51	5.75
Financial Times Gold Mines Total - Price Index (in INR)	3.90	3.93

Past performance may or may not be sustained in future.

Returns are of Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: June 6, 2008

vii) AIG Quarterly Interval Fund, Series I - An interval income scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 5.36 lakhs.

The performance of AIG Quarterly Interval Fund Series - I is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG Quarterly Interval Fund Series - I	1.82	4.76
CRISIL Liquid Fund Index	3.69	5.86

Past performance may or may not be sustained in future.

Returns are of Retail Plan - Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: August 21, 2008

viii) AIG Quarterly Interval Fund, Series II - An interval income scheme

As at March 31, 2010, the net assets of the scheme amounted to Rs. 11.18 lakhs.

The performance of AIG Quarterly Interval Fund Series - II is presented below:

	Returns # (%) (Last 1 year)	Returns # (%) (Since Inception)
AIG Quarterly Interval Fund Series - II	1.96	5.26
CRISIL Liquid Fund Index	3.69	5.83

Past performance may or may not be sustained in future.

Returns are of Retail Plan - Growth Option

Compounded Annualised Returns

Date of Inception/Allotment: August 28, 2008

Notes:

- Returns are calculated on Rs. 10/- invested on the allotment date for AIG India Equity Fund, AIG Infrastructure and Economic Reform Fund, AIG India Treasury Fund and AIG World Gold Fund.
- Returns are calculated on Rs. 1000/- invested on the allotment date for AIG India Liquid Fund, AIG Short Term Fund and AIG Quarterly Interval Fund, Series - I & II.

3. Market Outlook:

Equities:

The year 2010 will be a challenging year because of fragile global recovery, mounting pressure of sovereign defaults and rising government deficits. This year, returns will not be broad based like last year. Not all stocks will be able to deliver what the valuations demand. Therefore, one needs to focus on companies which can navigate the present environment especially with rising inflation and weak global recovery.

Given these conditions, we are currently underweight sectors that are dependent on global recovery like metals, commodities and overweight on domestic consumption and investment related story. Our portfolio is built based on companies which have a great business franchise, follow conservative accounting policies and are available at fair valuations. We are fairly confident of these companies delivering in the present market conditions irrespective of the overall direction of the market.

Fixed Income:

The macro picture in India is improving, with growth numbers continuing to surprise on the upside and the monsoons appearing to be on track. Inflation is expected to ease off in the coming months, and with the global macro environment still in doldrums - crude and commodities prices are likely to remain subdued - the Reserve Bank of India is not expected to increase policy rates in an aggressive manner at this stage. The fiscal situation in India is also looking better than a few months ago. Recently concluded 3G spectrum auction

results have been favorable and put together with the ongoing Broadband Wireless Access auction, the Government's kitty is expected to swell by Rs.1,05,000 crores, about three times the amount initially budgeted. The newly proposed listing norms for a minimum 25% public float, if approved, will ensure that the divestment of public sector undertakings go through smoothly over the next two years, and collections thereof will be a positive to the fiscal position. Local interest rates should benefit from these developments over the medium-term. However, in the near-term, interest rates are likely to be pressured by the prevalent tight liquidity conditions, large supply of Government securities in the domestic markets, as well as the changing regulatory environment for Mutual Funds. With increasing foreign institutional investor interest in the domestic debt markets, negative news flow from overseas is also likely to weigh upon interest rates in the near-term.

4. Brief background of Sponsors, Trust, Trustee Company and Asset Management Company:

a. AIG Global Investment Group Mutual Fund

AIG Global Investment Group Mutual Fund (AIGMF) was set up as a Trust by the Settler, AIG Capital Corporation on December 15, 2006 with AIG Trustee Company (India) Private Limited (the Trustee Company) as a Trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated December 15, 2006 with AIG Global Asset Management Company (India) Private Limited (the AMC) to function as the Investment Manager for all the Schemes of AIGMF. AIGMF was registered with SEBI on February 9, 2007.

b. AIG Trustee Company (India) Private Limited

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated thereunder are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

5. Effects of Events at the Ultimate Parent Company:

Since September 2008, AIG has been working to protect and enhance the value of its key businesses, execute an orderly asset disposition plan, and position itself for the future. AIG has entered into several important transactions and relationships with the Federal Reserve Bank of New York (the "FRBNY"), the AIG Credit Facility Trust (together with its trustees, acting in their capacity as trustees, the "Trust") and the United States Department of the Treasury. As a result of these arrangements, AIG is controlled by the Trust, which was established for the sole benefit of the United States Treasury.

AIG continually reassesses this plan to maximize value while maintaining flexibility in managing its liquidity and capital. It expects to accomplish these objectives over a longer time frame than originally contemplated.

On March 26, 2010, as part of its divestiture efforts, AIG announced that it had concluded the previously-announced sale of a portion of AIG Investments, its asset management business, to Pacific Century Group ("PCG"), the Asia-based private investment firm. The divested portion of AIG Investments has been rebranded as PineBridge Investments ("PineBridge").

AIG Global Asset Management Company (India) Private Limited and AIG Trustee Company (India) Private Limited (collectively the "India AMC Business") are one of the operating entities comprising AIG's asset management business in India. The India AMC Business was initially considered for inclusion in the PineBridge sale; however, the parties determined to defer that portion of the sale, pending resolution of various logistical, structural and regulatory matters.

AIG, PCG and PineBridge have continued in earnest discussions concerning a follow-on transaction for the purchase of the India AMC Business from AIG by PineBridge and PCG or their affiliates. It is currently the intention of AIG to divest the India AMC Business on a going concern basis.

AIG Global Asset Management Company (India) Private Limited remains adequately capitalized. The management of the Company has assessed the impact of these events and believes that the above events do not affect the company's ability to continue as a going concern. It accordingly does not require any adjustments to the carrying value of the assets and liabilities of the company as of the closing balance sheet date.

The above events do not have any impact on the Scheme's financial statements as of the closing Balance Sheet date.

6. Significant Accounting Policies:

Accounting policies are in accordance with Securities Exchange Board of India (Mutual Funds) Regulations, 1996.

7. Unclaimed Dividends & Redemptions:

Summary of number of Investors and Corresponding amount scheme wise:

Name of the Schemes	Unclaimed Dividends as on March 31, 2010		Unclaimed Redemptions as on March 31, 2010	
	Amount (Rs.)	No. of Investors	Amount (Rs.)	No. of Investors
AIG Fixed Maturity Plan-I-Series I	-	-	1,500,000.00	1
AIG India Equity Fund	-	-	363,119.87	24
AIG Infrastructure and Economic Reform Fund	-	-	420,990.55	8
AIG World Gold Fund	-	-	234,481.08	16

8. Redressal of Complaints received against Mutual Fund during 2009-10:

Total number of folios - 1,50,965

Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)								
				Resolved				Non Actionable*	Pending			
				Within 30 days	30 - 60 Days	60 - 180 Days	Beyond 180 Days		0-3 Months	3-6 Months	6-9 Months	9-12 Months
I A	Non receipt of Dividend on Units	0	1	1	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	21	21	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	43	43	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	122	122	0	0	0	0	0	0	0	0
II C	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	1	1	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	18	18	0	0	0	0	0	0	0	0
IV	Others	0	81	81	0	0	0	0	0	0	0	0
	TOTAL	0	287	287	0	0	0	0	0	0	0	0

including against its authorized persons / distributors / employees, etc

* Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

9. Statutory Information:

- The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 lakh for setting up the Fund, and such other accretions / additions to the same.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- Full Annual Report shall be disclosed on the website (www.aiginvestments.co.in) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

10. Acknowledgements:

The Trustees wish to thank the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and the Association of Mutual Funds in India (AMFI) for their support and directions. The Trustees would also like to thank the Fund's Auditors, Custodian, Registrar & Transfer Agent, Bankers, Distributors, Brokers, Channel Partners and all other service providers for their invaluable support. The Trustees also wish to thank all unit holders for their support.

For and on behalf of AIG Global Investment Group Mutual Fund

Place: Mumbai
Date: June 30, 2010

N. Rangachary
Director

Robert Conry
Director

RISK FACTORS & STATUTORY DETAILS

Sr. No.	Name of the Scheme	Type of the Scheme and Investment Objective
1.	AIG India Equity Fund	An Open Ended Equity Scheme; Investment Objective: To generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity-related securities including equity derivatives.
2.	AIG India Liquid Fund	An Open Ended Liquid Scheme; Investment Objective: To seek to generate a reasonable return commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and short term debt securities.
3.	AIG India Treasury Fund	An Open Ended Income Scheme; Investment Objective: To seek to generate optimal returns commensurate with low risk and a high liquidity, from a portfolio constituted of debt securities and money market securities.
4.	AIG Infrastructure and Economic Reform Fund	An Open Ended Equity Scheme; Investment Objective: 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.
5.	AIG Short Term Fund	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.
6.	AIG World Gold Fund	An Open Ended Fund of Funds Scheme; Investment Objective: 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. The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time.
7.	AIG Quarterly Interval Fund - Series I & II	An Interval Income Scheme; Investment Objective: To seek to generate returns while endeavoring to manage interest rate volatility over the interval period through a portfolio of fixed income securities.
8.	AIG Fixed Maturity Plan I - Series I	A Close Ended Income Scheme; Investment Objective: To seek to generate returns while endeavoring to manage interest rate volatility over the maturity period through a portfolio of fixed income securities.

RISK FACTORS & STATUTORY DETAILS (Contd..)

Risk Factors: Mutual funds, like securities investments, are subject to market and other risks and there can be no guarantee against loss resulting from investment in the Schemes nor can there be any assurance that the Scheme's 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 Scheme 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 scheme invests fluctuate, the value of your investment in the scheme may go up or down. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.

AIG India Equity Fund, AIG India Liquid Fund, AIG India Treasury Fund, AIG Infrastructure and Economic Reform Fund, AIG Short Term Fund, AIG World Gold Fund*, AIG Quarterly Interval Fund - Series I & II and AIG Fixed Maturity Plan I - Series I are the names of the Schemes and do not, in any manner, indicate the quality of the Scheme, its future prospects or returns. The Sponsor is not responsible or liable for any loss resulting from the operation of the scheme 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 returns. 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 of the respective Scheme(s) carefully before investing.**

* 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 fund(s), please refer the Scheme Information Document.

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.

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