

# AIG JAPAN SMALLER COMPANIES PLUS FUND

31 July 2009

## OBJECTIVE

AIG Japan Smaller Companies Plus Fund ('the Fund') seeks to achieve capital growth by investing at least two-thirds of its assets in small to medium sized Japanese companies, whose capitalisation at the time of purchase is less than JPY 400 billion.

## FUND FACTS

<b>Domicile &amp; Type</b>	Ireland / Sub-fund of UCITS III Umbrella Open-ended Unit Trust
<b>Inception Date of Class</b>	19 Dec 2005
<b>Inception Date of Predecessor Class</b>	N/A
<b>Benchmark</b>	MSCI Japan SMID DTR Net (see footnote)
<b>Base Currency</b>	USD
<b>Class</b>	Y
<b>Class Currency</b>	USD
<b>Minimum Investment</b>	USD 1 million
<b>Management Fee</b>	1.00%
<b>Listing &amp; Dealing</b>	Unlisted / Daily
<b>Distribution Policy</b>	Income and capital gains may be distributed
<b>ISIN Number</b>	IE00B0VPN716
<b>Portfolio Manager(s)</b>	Noriko Umino / Midori Katsumi
<b>Investment Manager(s)</b>	AIG Investments Japan Co., Ltd.
<b>Legal Manager</b>	AIG Investments Fund Management Ltd.
<b>Authorised for Public Distribution In</b>	Austria, Finland, France, Germany, Hong Kong, Italy, Luxembourg, Netherlands, Spain, Sweden, Taiwan (ROC), United Kingdom
<b>Regulated By</b>	Financial Regulator in Ireland
<b>Morningstar Rating™</b>	★★★

## COMMENTARY

### Market Review

- The Japanese small cap market slid early July, regaining strength toward the end of the month.
- Global cyclicals led the rally, while Commodities, Financials and Real Estate stocks weakened. Larger market capitalization and growth stocks outperformed smaller cap and value stocks over the month.

### Fund Activity

- The Fund outperformed during July, with stock selection and our growth bias both contributing positively to returns. Major contributors were stocks with favourable first quarter earnings results, together with stocks with thematic support such as LED (Light Emitting Diode) exposure and potential beneficiaries of any policy shifts, should the Democratic Party win the upcoming general election in August.

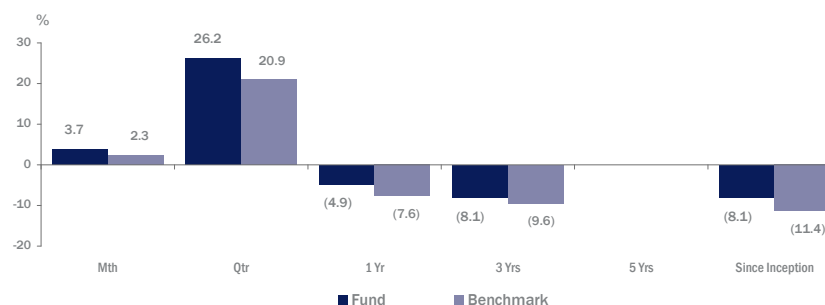
- We trimmed exposure to a significant outperformer and increased holdings showing improving fundamentals at reasonable valuations.

### Outlook

- Both macro and micro economic news flow are mostly positive thanks to policy measures implemented globally. On the other hand, the price to book value of the Russell/Nomura Small Index recovered to 0.98x from 0.68x in February.
- We will continue to balance our Fund and add value by picking the undervalued hidden gems in various sectors.

## PERFORMANCE

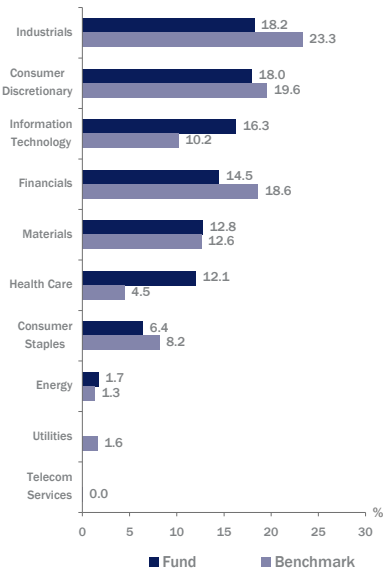
For periods ending 31 July 2009



Calendar Year	Fund %	Benchmark %	Difference %
2009 YTD	8.5	8.1	0.4
2008	(22.1)	(22.2)	0.1
2007	(5.7)	(11.7)	6.0
2006	(13.3)	(16.1)	2.8
2005	N/A	N/A	N/A

Fund: AIG Japan Smaller Companies Plus Fund Class 'Y' Units  
 Benchmark: MSCI Japan SMID DTR Net (see footnote)  
 Indicative gross performance before fees and all charges. 1, 3, 5 Yrs and since inception returns are annualised. Past performance is not indicative of future results. Refer to footnotes.

## SECTOR WEIGHTS



Fund: AIG Japan Smaller Companies Plus Fund  
 Benchmark: MSCI Japan SMID DTR Net (see footnote)  
 Asset allocations as at month end.

## TOP 10 HOLDINGS

Company	%
Kakaku.Com. Inc (JP)	3.3
Pigeon Corp (JP)	3.2
Lintec Corp (JP)	2.8
Nichicon Corp (JP)	2.8
Japan Steel Works (JP)	2.7
Tsumura & Co (JP)	2.6
Osaka Securities Exchange (JP)	2.6
Suruga Bank (JP)	2.5
Don Quijote Co Ltd (JP)	2.5
FP Corp (JP)	2.3
<b>Total</b>	<b>27.3</b>

## FUND STATISTICS

Fund Size	USD 43,557,681
NAV per Unit	USD 70.0277
Weighted Avg Mkt Cap (\$ M)	1,570
Number of Securities	72
Risk Free Rate	0.0
Sharpe Ratio (3yr)	(0.6)
Standard Deviation (3yr)	18.9
Information Ratio (3yr)	0.2
Tracking Error (3yr)	6.1
Alpha	0.8
Beta	0.9
R-Squared	90.1

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All information as of 31 Jul 2009 unless noted otherwise. Portfolio Structure may vary over time. Holdings are subject to change. We are not soliciting or recommending any action based on this material. This document should be read in conjunction with the Prospectus (including defined terms) and is subject at all times to the terms and conditions as set out therein. AIG Japan Smaller Companies Plus Fund: From inception to 30 Jun 2008, the benchmark was the MSCI Japan Small Cap Daily Total Return Net Index. From 1 Jul 2008, the benchmark was changed to MSCI Japan SMID Daily Total Return Net Index. AIG Japan Smaller Companies Plus Fund (the "Fund") is a sub-fund of AIG Global Funds, an Irish domiciled UCITS III umbrella fund, authorized and regulated by the Financial Regulator in Ireland. The performance presented herein is representative of Class 'Y' in U.S. Dollars. The price of units and the income from them may fall as well as rise and investors may not get back the full amount originally invested. This document is intended for distribution only to existing and prospective investors for whom it is suitable and does not constitute an offer of units. Its general circulation may be restricted by law in certain jurisdictions. The Fund is not available for investment in the United States or to or for the account of U.S. Persons. AIG Investments Europe Limited is authorised and regulated by the Financial Services Authority ("FSA"). In the UK this communication is a financial promotion solely intended for professional clients as defined in the FSA Handbook and has been approved by AIG Investments Europe Limited. Copies of the Prospectus, the Simplified Prospectus and the most recent financial statements may be obtained free of charge in Ireland from AIG Investments Fund Management Ltd., and in Germany from BHF-BANK AG, Bockenheimer Landstraße 10, 60323 Frankfurt. Morningstar Rating™ Source: Morningstar Essentials™. Copyright © 2009 Morningstar, Inc. All Rights Reserved. Morningstar Rating as of 31 Jul 2009, in the JAPAN SMALL/MID-CAP EQUITY Morningstar Category. Unless otherwise noted, all information is sourced from AIG Investments internal data. AIG Investments comprises a group of international companies which provide investment advice and market asset management products and services to clients around the world. Services and products are provided by one or more affiliates of American International Group, Inc. ("AIG"). AIG Investments is a registered mark of AIG. Issued by: AIG Investments Fund Management Ltd, AIG Centre, North Wall Quay, Dublin 1, Ireland. Phone: 353-1-6720222. Facsimile: 353-1-6720267.

