

# AIG EUROPE FOCUS EQUITY FUND

30 September 2009

## OBJECTIVE

The AIG Europe Focus Equity Fund ('the Fund') seeks to achieve capital growth by investing in a concentrated portfolio of high conviction companies, whose assets, products or operations are based in Europe.

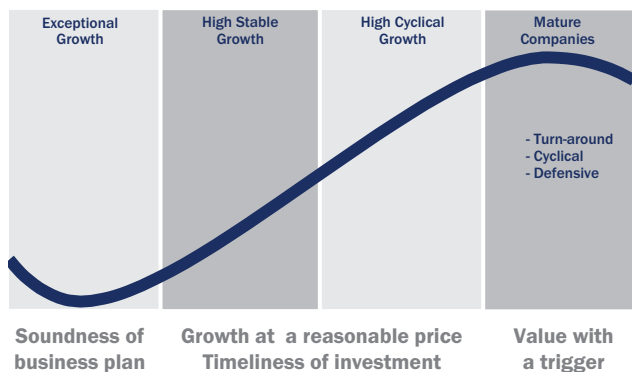
## INVESTMENT APPROACH

We believe that neither growth nor value investment styles will consistently outperform the other over time. Instead, we believe that a dynamic investment process is needed which can keep pace with the evolution of a company's fundamental characteristics such as earnings growth and focus on key investment criteria that are specific to a company's stage of development. Such an investment philosophy does not restrict our investment universe to either growth or value companies but seeks to uncover the most attractive investments across stages of a company's lifecycle.

### Key features

- Consistent, disciplined, research-driven process
- Replicable across different markets and regions
- Active management with a focus on bottom-up stock selection
- Analysis of companies using criteria appropriate to their stage of development
- Strong sell discipline which removes behavioural biases

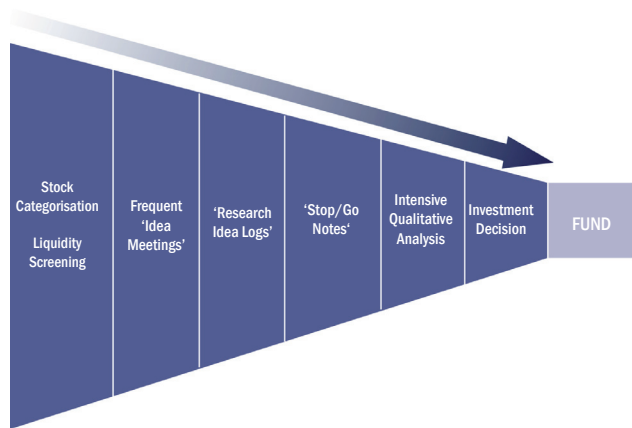
## DYNAMIC CATEGORISATION



The Fund is a focused portfolio of our most highly rated investment ideas, comprising the companies with which we hold the most conviction and that we therefore believe represent the greatest opportunities to generate alpha.

Each company in the initial investment universe of approximately 1,000 companies is first categorised according to its stage of development, and screened for liquidity.

Companies in the resulting investable universe are then subject to initial analysis and discussion in frequent 'Idea Meetings', with those that warrant further assessment recorded in a continuously updated 'Research Idea Log'.



Companies in the 'Research Idea Log' that we consider to be potential investment candidates are analysed more closely, and then assigned either a 'Go Note' or a 'Stop Note'. Companies that are assigned a 'Go Note' go through intensive qualitative analysis and are ultimately given either a 1-rating or a 3-rating. Companies that achieve a 1-rating will be added to the Fund.

Fundamental analysis is focused on valuation and performance triggers that are specific to the category to which the company has been assigned at the start of the investment process. This research is stored within our proprietary database and is available to all fund managers and analysts in real time. This system ensures that company information is documented and communicated consistently on a global basis. Investment candidates are discussed within the team, however the final decision lies with the fund manager.

Once a buy decision has been made, the weighting is determined based on liquidity, stock category and risk assessment. Given the concentrated number of holdings in the Fund, substantial positions can be taken in those companies in which we have high conviction, whilst still ensuring the Fund is sufficiently diversified<sup>1</sup>.

Companies are evaluated on a daily basis for any changes in the underlying investment thesis, changes in fundamental revisions, excess valuation of the share price and any breaches of the risk-adjusted stop loss limit.

Analysts cover a maximum of three '1' rated stocks at any one time, therefore increasing the focus and speed to portfolio of high conviction investment ideas.

Risk management is a key component of our investment approach with internal risk controls fully integrated into the process. We believe that one of the best ways to manage risk is to invest in quality companies and to ensure that portfolios do not become too concentrated in a company, sector or development phase. Portfolios are also regularly monitored by a dedicated internal compliance department.

## INVESTMENT GUIDELINES<sup>2</sup>

- Up to 25 stocks
- 15% sector weight constraints
- Benchmarked against the MSCI Europe DTR Net EUR Index

## FUND MANAGER

	Location	Joined Firm	Yrs Experience
Graeme Bencke Lead Fund Manager	London	2005	12

<sup>1</sup> Diversification does not protect against market loss.

<sup>2</sup> Please note that the Investment Guidelines shown are internal guidelines applied by AIG Investments. The investment objective, policy and investment restrictions applicable to the Fund are set out in detail in the Prospectus and Simplified Prospectus.

[www.aiginvestments.com](http://www.aiginvestments.com)

All information as of 30 September 2009 unless noted otherwise. We are not soliciting or recommending any action based on this material. Information is subject to change based on criteria decided upon by the Investment Manager or depending on market conditions. 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 Europe Focus Equity Fund (the "Fund") is a sub-fund of AIG Global Funds, an Irish domiciled UCITS III umbrella fund, authorised and regulated by the Financial Regulator in Ireland. 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. 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. Unless otherwise noted, all information is sourced from AIG Investments internal data. AIG Investments is a group of international companies that provide investment advice and market asset management products and services to clients around the world. AIG Investments is a registered mark of American International Group, Inc. (AIG). Services and products are provided by one or more affiliates of AIG. Issued by: AIG Investments Fund Management Ltd, 30 North Wall Quay, Dublin 1, Ireland. Phone: 353-1-6720222. Facsimile: 353-1-6720267.

