

# AIG JAPAN SMALLER COMPANIES PLUS FUND

31 January 2010

## 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 within the market cap range of the MSCI Japan Small & Mid Cap Net Index.

## 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>	IE00B0VFN716
<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 Japan small cap market was almost flat in January. The month started with a surge driven by global cyclicals, but the global correction from the middle of the month triggered the decline.
- During the early month global cyclicals dominated the rise but, following the turnaround, other sectors caught up. Throughout the month, technology, machinery and pharmaceuticals performed well, while autos and materials led the decline. By style, there was no significant direction by size or growth/value factor.

### Fund Activity

- Third quarter earnings results announcements had a mixed impact on Fund performance during the month. Some of our holdings in domestic software services and diversified financials benefited from the global cyclical correction, but a couple of negative earnings revisions almost offset the gains.

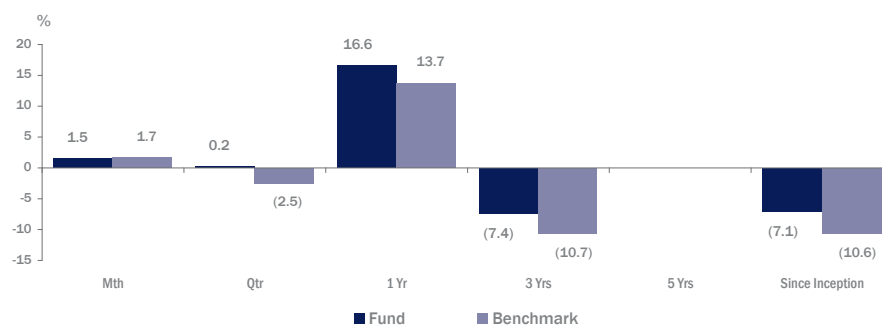
- The Fund made some switches during the month by adding exposure to stocks with improving earnings growth prospects.

### Outlook

- The macro and micro economy are both in recovery mode, but month-on-month this seems to be generally moderating, given the lack of additional surprises in the market, though this will be more clearly realized when October-December results are announced in February.
- In such a market environment, we will continue to balance our Fund and search for hidden surprises at the individual stock level through our bottom-up stock picking process.

## PERFORMANCE

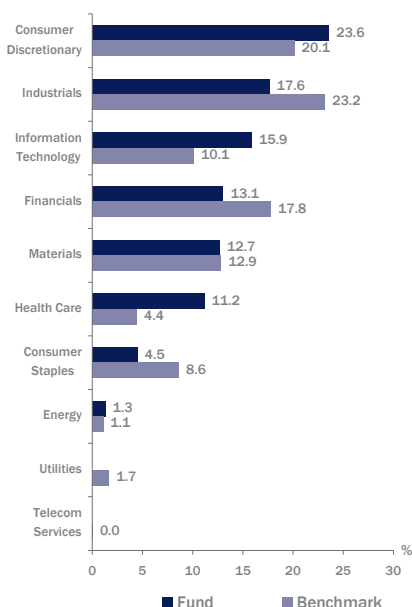
For periods ending 31 January 2010



Calendar Year	Fund %	Benchmark %	Difference %
2010 YTD	1.5	1.7	(0.2)
2009	7.4	3.9	3.5
2008	(22.1)	(22.2)	0.1
2007	(5.7)	(11.7)	6.0
2006	(13.3)	(16.1)	2.8

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	%
Osaka Securities Exchange (JP)	3.3
Kakaku.Com. Inc (JP)	3.0
Dena Co Ltd (JP)	3.0
FP Corp (JP)	2.8
Don Quijote (JP)	2.7
Sawai Pharm Co Ltd (JP)	2.6
Mitsubishi UFJ Lease & Finance Co. Ltd. (JP)	2.2
Pigeon Corp (JP)	2.1
Hajime Construction Co (JP)	2.1
Nomura Real Estate Holdings Inc (JP)	2.1
<b>Total</b>	<b>25.9</b>

## FUND STATISTICS

Fund Size	USD 38,017,475
NAV per Unit	USD 69.8372
Weighted Avg Mkt Cap (\$ M)	1,424
Number of Securities	73
Risk Free Rate	0.0
Sharpe Ratio (3yr)	(0.5)
Standard Deviation (3yr)	19.1
Information Ratio (3yr)	0.5
Tracking Error (3yr)	6.2
Alpha	2.8
Beta	0.9
R-Squared	90.1

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

All information as of 31 Jan 2010 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 © 2010 Morningstar, Inc. All Rights Reserved. Morningstar Rating as of 31 Jan 2010, 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, 30 North Wall Quay, IFSC, Dublin 1, Ireland. Phone: 353-1-6720222. Facsimile: 353-1-6720267.

