

AIG International Funds

SEMI-ANNUAL REPORT

(For the period 1 January 2007 - 30 June 2007)

&

UNAUDITED FINANCIAL STATEMENTS

(For the six-month period ended 30 June 2007)



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- *Please note that all figures shown in this report are as of 30 June 2007 unless otherwise stated.*

AIG International Funds – Singapore Bond Fund

Fund Manager's Review

Portfolio Performance

For 1H 2007, the AIGIF Singapore Bond Fund (the "Fund") registered a return of 4.02%, 106 basis points ahead of its benchmark, the JP Morgan Singapore Government Bond Index (All Sectors) which recorded a return of 2.96%.

Asset Class Overview

The first half of 2007 was a volatile period for US bond yields. The yield on the benchmark 10-year US Treasury Note (UST) traded between a low of 4.5% in March to a high of 5.3% in June. Yields were driven mainly by uncertainty over inflation, the impact of housing slowdown and rising delinquency rates in sub-prime mortgages on economic growth and their implications on the Federal Reserve's (Fed) policy on interest rates.

In early 2007, UST yields continued their uptrend as market expectations of Fed rate cuts were further lowered by data indicating that the US housing slowdown was stabilising and the economy was heading for a soft landing. The 10-year UST yield reached the first quarter's high of 4.9% at end January. Although the Fed's decision to keep its benchmark rate unchanged at the end January meeting was widely expected, the FOMC statement was less hawkish, leading to buying support of USTs. Concerns that rising delinquencies in sub-prime mortgages will be a drag on the economy and the flight-to-quality investments as a result of the equities sell-down provided further support to USTs. As a result, bond yields fell sharply with the 10-year UST yield reaching 4.5% in early March, the low for the first half of 2007.

The second quarter saw a sharp rise in bond yields, with the 10-year UST yield reaching a five-year high of 5.3% in June on renewed

concerns over inflation as well as rising prices in China, Japan and UK. The steep rise in rates prompted buying by investors capping the rise in yields. The further deterioration in sub-prime mortgages and the housing sector provided additional buying support for USTs, causing the 10-year UST yield to retrace from the year-to-date high to end at about 5% for a rise of about 30 basis points for the first half of 2007.

The rise in UST yields at the start of the year, a pause in SGD currency appreciation and the pending supply of the first ever 20-year Singapore Government Securities (SGS) issue led to higher domestic bond yields. The 10-year SGS yield reached 3.24% towards the end of Feb, the high for the first half of the year. Domestic short-term interest rates fell sharply in March as a result of strong liquidity and the market's view that the Monetary Authority of Singapore (MAS) may look to lower rates to dampen SGD strength. This led to a decoupling of domestic bond yields from UST yields during March and part of April. The sharp decline in the one-month inter-bank rate from 3.3% at the start of the year to 2.1% in May pulled the 10-year SGS yield down to the half-year's low of 2.54%. However, the spike in UST yields in June to a five-year high led to selling pressure in SGS, with the 10-year SGS yield rising to a high of 3% before closing the quarter at 2.86% for a decline of 19 basis points.

Portfolio Overview

Taking the view that 10-year UST yield of below 5% do not reflect lingering inflationary risks and upside risk to economic growth, the Fund maintained its defensive positioning with a shorter duration than its benchmark. This short duration positioning was maintained over the entire half year. The defensive positioning proved to be prudent for the first two months, with Fund well positioned for the rise in UST and SGS yields. However, SGS yields decoupled from USTs yields in March, declining on the back

AIG International Funds - Singapore Bond Fund *(continued)*

of the sharp fall in domestic short-term rates even as UST yield rose. This led to value being subtracted from the defensive positioning. The REIT sector continued to perform well, resulting in the Fund's REIT holdings contributing to the Fund's out-performance against the benchmark.

Portfolio Outlook

UST yields will continue to be pulled in different directions by concerns over pick-up in domestic inflation as well as globally, and further deterioration in the housing market and sub-prime mortgages that would lead to a retrenchment in consumer demand and flight-to-quality investments. The SGS market will likely exhibit re-coupling with USTs to some extent especially if UST yields rise significantly. However any rise in domestic bond yields will be buffered by strong domestic liquidity. The Fund will remain vigilant and maintain its defensive positioning, adding to positions when there is up tick in yields.

Asset Allocation

By Country

Refer to "Portfolio Statements – By Geography (Primary)"

By Industry

Refer to "Portfolio Statements - By Industry (Secondary)"

By Asset Class

Refer to "Portfolio Statements - By Geography (Primary)"

Credit Rating (By Moody's)	Fair Value (S\$'000)	% of Fixed Income Instruments
A1	10,513	3.69
A3	14,982	5.26
Aa1	8,578	3.01
Aa2	68,348	24.00
Aa3	18,932	6.65
Aaa	51,765	18.18
B1	13,743	4.82
Ba3	2,367	0.83
Baa2	24,301	8.52
NR	71,374	25.04

Source : AIG Global Investment Corporation (Singapore) Ltd

Top 10 Holdings (as at 30 June 2007)

	Fair Value (S\$'000)	%
Capitamall Trust	24,759	4.58
Ascendas Real Estate Investment Trust	19,627	3.63
DBS Bank 4.47% 15 Jul 2021	17,465	3.23
HSBC Singapore 3.18% 24 Nov 2008	15,090	2.79
Queensley Hldgs Ltd 4.5% 05 Dec 2009	13,170	2.43
Singapore Govt Bond 3.625% 01 Jul 2014	12,820	2.37
ABN Amro Bank 0% 11 Jul 2007	11,990	2.22
DBS Group Hldgs 6% Non Cum Prf Shs	11,743	2.17
Singapore Govt Bond 3.75% 01 Sep 2016	10,838	2.00
Swedbank 3.445% 28 Feb 2008	10,683	1.97

Source : AIG Global Investment Corporation (Singapore) Ltd

AIIG International Funds – Singapore Bond Fund *(continued)*

Top 10 Holdings (as at 30 June 2006)		
	Fair Value (S\$'000)	%
HSBC Singapore 3.18% 24 Nov 2008	14,787	4.30
Countrywide Finance 3.75% 17 Mar 2007	14,145	4.09
Singapore Govt 3.25% 01 Sep 2020	13,723	3.96
Queensley Hldgs Ltd 4.5% 05 Dec 2009	13,040	3.79
Ascendas Real Estate Investment Trust	12,684	3.70
Singapore Govt 3.625% 01 Jul 2014	12,282	3.52
DBS Group Hldgs 6% Non Cum Prf Shs	11,454	3.34
Capitamall Trust	10,377	3.03
Singapore Govt 3.75% 01 Sep 2016	10,272	2.96
Red Orchid 3.56% 17 Jul 2006	10,073	2.92

Source : AIIG Global Investment Corporation (Singapore) Ltd

Exposure to derivatives

	S\$	%
Fair value of derivative contracts	168,746.71	0.03
Net gain/(loss) on derivative contracts realised for the period 01 Jan to 30 Jun 2007	(591,827.10)	N/A
Net gain/(loss) on outstanding contracts marked to market	168,746.71	N/A

Amount and percentage of NAV invested in other schemes

NIL.

Amount and percentage of borrowings to NAV

NIL.

Amount of subscriptions and redemptions for the period 1 January 2007 – 30 June 2007

Refer to "Creation of units" and "Cancellation of units" in the Notes to the Financial Statements.

Amount of related-party transactions

Please refer to Notes to the Financial Statements.

Performance of fund and benchmark

Period	Fund Performance	JP Morgan Sing Govt Bond Index
3-month	1.85	1.11
6-month	4.02	2.96
1-year	11.63	6.57
3-year [^]	7.35	3.50
5-year [^]	6.12	3.57
Since Inception (26.03.02) [^]	6.20	3.90

Source: AIIG Global Investment Corporation (Singapore) Ltd & Bloomberg.

Returns in S\$, bid-to-bid basis. (Calculations of returns were made with NAV rounded to 3 decimal places, with effect from 01 March 2007.)

[^]Annualised returns.

Expense Ratios[#]

Please refer to Notes to the Financial Statements.

[#] The expense ratio of the fund does not include brokerage and other transaction costs, performance fees, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratios

Please refer to Notes to the Financial Statements.

The turnover ratio is calculated based on the lesser of purchases or sales of the underlying investments of a scheme expressed as a percentage of daily average NAV.

Soft Dollars

Not applicable.

AIG International Funds - Acorns of Asia Balanced Fund

Fund Manager's Review

Overview

Despite a tentative start to the year, the Asia ex Japan (AeJ) region again registered notable gains during the first half of 2007. It sustained its out-performance against its world equivalent (MSCI World) in the process.

In the period, investors had to adjust to fading hopes of an easier monetary policy by the US Federal Reserve, as the latter remained vigilant against inflation with energy prices continuing to gain ground. Sentiment in the financial markets also had to endure a mini scare in late February, when the stock-market in China slumped more than 9% in a single day, as concerns rose about rampant speculative activity by individual investors. The sharp fall triggered worries that China's economic growth would be adversely affected.

Such fears were subsequently allayed, as China's industrialization continued apace. In point of fact, investors were to be encouraged by the supportive global growth environment, as data emerged of economic strength in several regions of the world, including the European Community. In addition, despite the worst housing recession since 1991 in the US, its manufacturing sector has also been showing recent signs of an upturn.

Against this environment, the Acorns of Asia Balanced Fund (the "Fund") managed to record a rise of 19.10% (before upfront sales charges) and 13.15% (net of upfront sales charges), compared to the composite benchmark's returns of 11.09%.

The Fund primarily benefited from its exposure to industrial stocks in Korea, its holdings of selective electronics companies in Taiwan, and its weightings in the Philippines.

Market Review

While all markets within AeJ posted positive returns for the first half of 2007, the Philippines (+29.8% in S\$ terms), Malaysia (+26.6%), Singapore (19.9%), China (+19.8%), Korea (19.2%) and Thailand (+18.8%) made the quicker advances. On the other hand, Indonesia (+11.7%), Taiwan (+9.4%) and Hong Kong (+4.3%) were the comparative laggards.

Investors drew encouragement from the fiscal reforms that the Philippines economy has been undertaking in the past four years, which have seen a narrowing of the budget deficit. The country's current account balance has also recorded a significant improvement in that period, backed by strong inward remittances from Filipinos working overseas. These remittances, totaling about 12% of GDP, have been instrumental in generating domestic consumption and helping the economy to grow by 6.9% p.a. in the first quarter of 2007 (the latest data available).

Malaysia's announcement of a slew of economic reforms, including its intention to further liberalize the Ringgit, captured the attention of investors. There was also excitement about official plans to offer incentives to foreign investments to set up in the Iskandar Development Region, essentially a special economic zone that should help create employment.

Neighbouring Singapore's strong market gains mirrored an underlying economy that has maintained its growth impetus. Indeed, the expansion in real GDP of 12.8% p.a. during the second quarter of this year was the fastest in two years, supported by a pick-up in construction activity at a rate that is the quickest in nearly a decade.

Following a spell of consolidation in the initial months of this year, which featured that sharp one-day fall as mentioned earlier, China's market resumed its advance. While sentiment remained

AIIG International Funds - Acorns of Asia Balanced Fund *(continued)*

skittish about the risk of economic overheating, investors' continuing interest was anchored by the growth opportunities stemming from what is the world's fourth largest economy, and which currently accounts for about 10% of global growth.

After an indifferent 2006, the Korean market made up ground during the first half of 2007. The move by North Korea to abandon its nuclear program in return for economic assistance, and the conclusion of a free trade agreement between South Korea and the United States were among the key catalysts for the market rally. This included a period of gains for 15 consecutive weeks. South Korean companies in the shipbuilding, machinery and steel-making sectors saw their profitability boosted by strong external demand.

In Thailand, initial wariness about the still uncertain political situation dissipated as the central bank embarked on a series of interest rate cuts to revitalize the economy. This loosening of monetary policy was the first such act in over three years, in response to a slippage in investment confidence triggered by the imposition of capital controls in December 2006. Investors' keenness to return to Thai stocks was also underpinned by the market's attractive valuations.

As for Indonesia, despite economic growth running at just above 6% p.a. during the first six months of the current year, the market was in consolidation mode as investors awaited further reform initiatives from the government to accelerate growth. While monetary policy was continually relaxed during this period, underscored by another five rate reductions, there was also a desire among market participants to see supply-side programs put in place, such as infrastructure improvements, to make the economy more efficient.

Taiwan's economy has been relatively lack-lustre in the past 18 months, with the island's export

performances lagging those of its major peers like South Korea. Thus, sentiment toward the stock market was generally lukewarm. However, data for the second quarter, such as for retail sales and industrial production, appears to point to an economy looking to turn the corner, and investor confidence has recently been improving in tandem.

While China's economic expansion has continued to generate spin-off benefits for Hong Kong, investors found its stock market's raised valuations a challenge. They were thus more inclined to focus their attention elsewhere, even though the territory's own economy has also been enjoying record low interest rates, and rising wages. Employment levels are at their highest in eight years, which has supported consumption growth.

For the fixed income markets, the first half of 2007 was a volatile period. For instance, the yield on the benchmark 10-year US Treasury Note (UST) traded between a low of 4.5% in March to a high of 5.3% in June. Yields were driven mainly by uncertainty over inflation, the impact of housing slowdown and rising delinquency rates in sub-prime mortgages on economic growth and their implications on the Federal Reserve's (Fed) policy on interest rates.

Against an uptrend in UST yields, a pause in the appreciation of the Singapore Dollar, and with a supply of new bond issues, local yields also moved uncertainly during the first half of the year. For example, the 10-year Singapore Government Securities yield reached the year's high of 3.24% towards the end of February, only to slipped back to a year's low of 2.54% in the subsequent months, under an environment of strong domestic liquidity conditions.

Outlook

At the time of writing, investors remain sensitive to the twin concerns of a continuing pick-up in inflation globally, particularly in the area of food

AIG International Funds - Acorns of Asia Balanced Fund *(continued)*

prices, and a retrenchment in consumer demand in the US, brought about by credit problems in the housing market, which could harm AeJ's export prospects.

The risks of inflationary pressures were starkly illustrated by the latest (June 2007) consumer price index (CPI) report released by China. The inflation rate of 4.4% breached the official annual 3 percent target for a fourth successive month, and was primarily caused by higher pork and grain prices. The climb in the CPI has recently led the Chinese central bank to respond by again raising interest rates for the third time so far this year.

Nonetheless, the fact to keep in mind is that recent hikes in interest rates by certain central banks are also a reflection of strength in their underlying economies. Indeed, according to the International Monetary Fund (IMF), the world economy's expansion of 5.4% in 2006 was the fastest rate of growth in over 30 years. And while it is expecting some moderation in activity during the current year, the growth pace would still be at a respectable 4.9%.

Interesting, if the latter is realized, it would mark the fifth consecutive year that the global economy has expanded by more than 4.5%. The only comparable period, based on IMF data, would be the early 1970s, when world growth averaged 5.4% over 4 years. Such a positive economic backdrop should be supportive of AeJ's financial markets.

Moreover, as highlighted previously, the region's observable growth profile, underpinned by the industrialization of China and India, should remain attractive to both direct and portfolio investments. The Asian Development Bank expects regional real GDP to grow at a 7% clip, which stands out when set against world average growth rates.

Nonetheless, given the still prevalent concerns about inflation and the weakened state of the US housing market, the Fund will maintain

its vigilance in relation to its current portfolio of investments. However, this would not preclude the continuing search for fresh Acorn opportunities.

In closing, we would like to thank, as before, our unitholders for their continuing support for the Fund.

Asset Allocation

By Country

Refer to "Portfolio Statements - By Geography (Primary)"

By Industry

Refer to "Portfolio Statements - By Industry (Secondary)"

By Asset Class

Refer to "Portfolio Statements - By Geography (Primary)"

Credit Rating (By Moody's)	Fair Value (S\$'000)	% of Fixed Income Instruments
A3	9,994	4.67
Aa2	22,930	10.71
Aa3	5,087	2.37
Aaa	57,071	26.66
B1	18,954	8.86
Ba3	1,985	0.93
Baa2	10,967	5.13
NR	87,075	40.67

Source : AIG Global Investment Corporation (Singapore) Ltd

AIG International Funds - Acorns of Asia Balanced Fund *(continued)*

Top 10 Holdings (as at 30 June 2007)

	Fair Value (S\$'000)	%
Capitamall Trust	24,759	1.89
Queensley Hldgs Ltd 4.5% 05 Dec 2009	24,314	1.85
Innolux Display Corporation	22,745	1.73
United Tractors TBK PT	22,084	1.68
Ascendas Real Estate Investment Trust	21,879	1.67
Keppel Corp Ltd	21,771	1.66
Singapore Govt Bond 3.75% 01 Sep 2016	21,677	1.65
Singapore Govt Bond 3.625% 01 Jul 2014	21,366	1.63
UOB Ltd 4.1% 03 Sep 2019	20,909	1.59
Bank Mandiri	20,450	1.56

Source : AIG Global Investment Corporation (Singapore) Ltd

Top 10 Holdings (as at 30 June 2006)

	Fair Value (S\$'000)	%
Queensley Hldgs Ltd 4.5% 05 Dec 2009	24,074	2.71
Singapore Govt Bond 3.75% 01 Sep 2016	20,545	2.29
Singapore Govt Bond 3.625% 01 Jul 2014	20,470	2.27
PT Medco Energi Intl	20,043	2.26
UOB Ltd 4.1% 03 Sep 2019	19,959	2.22
Singapore Govt Bond 3.25% 01 Sep 2020	18,567	2.07
Samsung Heavy Industries	16,486	1.86
Hyundai Heavy Industries	15,884	1.79
Doosan Heavy Industries & Construction	15,710	1.77
Keppel Corp Ltd	15,330	1.73

Source : AIG Global Investment Corporation (Singapore) Ltd

Exposure to derivatives

	S\$	%
Fair value of derivative contracts	121,474.32	0.01
Net gain/(loss) on derivative contracts realized for the period 01 Jan to 30 June 2007	(360,374.93)	N/A
Net gain/(loss) on outstanding contracts marked to market	121,474.32	N/A

Amount and percentage of NAV invested in other schemes

NIL.

Amount and percentage of borrowings to NAV

NIL.

Amount of subscriptions and redemptions for the period 1 January 2007 – 30 June 2007

Refer to "Creation of units" and "Cancellation of units" in the Notes to the Financial Statements.

Amount of related-party transactions

Please refer to the Notes to the Financial Statements.

Performance of fund and benchmark

Period	Fund Performance	60% MSCI All Country Far East Free Ex Japan (DTR Net) in SGD / 40% JP Morgan Sing Govt. Bond Index
3-month	16.74	10.10
6-month	19.10	11.09
1-year	37.23	25.19
3-year [^]	18.17	16.45
5-year [^]	16.43	12.85
Since Inception (01.10.01) [^]	17.48	15.13

Source : AIG Global Investment Corporation (Singapore) Ltd.

Returns in S\$, bid-to-bid basis. (Calculations of returns were made with NAV rounded to 3 decimal places, with effect from 01 March 2007.)

[^]Annualised returns

AIG International Funds - Acorns of Asia Balanced Fund *(continued)*

Expense Ratios#

Please refer to the Notes to the Financial Statements.

The expense ratio of the fund does not include brokerage and other transaction costs, performance fees, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratios

Please refer to the Notes to the Financial Statements.

The turnover ratio is calculated based on the lesser of purchases or sales of the underlying investments of a scheme expressed as a percentage of daily average NAV.

Soft Dollars

In the normal course of business, the Managers shall be entitled to receive soft dollar benefits from selected brokers, in relation to equity transactions, from whom products and services were received from third parties. These brokers may also execute trades for other clients managed by the Manager. The goods and services received generally benefit the entire Managers' clients and trades are executed on the best available terms with no excessive churning. Goods and services received can reasonably be expected to assist in the provision of the investment services and include research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, custodial services and computer hardware and software used in the support of the investment process of the Managers.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2007

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2007

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AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Statements Of Total Return

For the six-month period ended 30 June 2007

Notes	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 S\$	30 June 2006 S\$	30 June 2007 S\$	30 June 2006 S\$
Investment income				
Dividends	13,204,787	10,880,575	1,416,358	948,321
Interest on deposits with banks	369,721	4,449,164	871,283	4,509,633
Other	766	201	-	-
	13,575,274	15,329,940	2,287,641	5,457,954
Less: Expenses				
Audit fee	4,396	4,396	3,012	3,012
Custody and related fees	184,952	372,108	20,435	18,461
Management fee	8,498,952	7,041,757	2,305,876	1,456,502
Registrar and related fees	25,943	25,590	11,193	8,170
Trustee fee	237,526	193,365	99,403	62,002
Other	560,618	580,060	187,686	138,584
	9,512,387	8,217,276	2,627,605	1,686,731
Net income / (expense)	4,062,887	7,112,664	(339,964)	3,771,223
Net gains or losses on value of investments				
Net realised gains on investments	82,430,692	10,123,752	6,510,101	(670,788)
Net change in fair value on investments	116,912,934	(49,116,869)	14,094,295	(4,226,896)
Net realised gains/(losses) on forward foreign exchange contracts	(360,375)	1,643,064	(591,827)	1,374,057
Net change in fair value on forward foreign exchange contracts	51,562	(53,540)	101,485	(58,919)
Net realized foreign exchange gains/(losses)	(8,844,650)	(1,466,353)	10,087	(459,994)
Net change in fair value on foreign exchange gains/(losses)	10,121,950	2,518,703	78,621	211,741
Net gains/(losses) on value of investments	200,312,113	(36,351,243)	20,202,762	(3,830,799)
Total return for the year before income tax	204,375,000	(29,238,579)	19,862,798	(59,576)
Less: Income tax	(1,774,397)	(1,443,479)	(264,619)	(189,664)
Total return for the year	202,600,603	(30,682,058)	19,598,179	(249,240)

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Balance Sheets

As at 30 June 2007

	Notes	Acorns of Asia Balanced Fund		Singapore Bond Fund	
		30 June 2007 S\$	31 December 2006 S\$	30 June 2007 S\$	31 December 2006 S\$
ASSETS					
Investments		1,157,890,239	1,017,368,295	371,900,049	380,702,191
Cash and bank balances	9	55,055,974	32,566,567	291,491	203,013
Fixed deposits with financial institutions		95,833,533	14,066,768	168,016,584	32,159,897
Receivables	4	15,598,524	1,849,907	2,295,514	710,410
Financial derivatives, at fair value	6	121,474	69,912	168,747	67,261
Total assets		1,324,499,744	1,065,921,449	542,672,385	413,842,772
LIABILITIES					
Payables	5	11,280,362	3,515,655	1,493,709	685,743
Net assets attributable to unitholders	7	1,313,219,382	1,062,405,794	541,178,676	413,157,029
Total liabilities		1,324,499,744	1,065,921,449	542,672,385	413,842,772

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements

As at 30 June 2007

Acorns of Asia Balanced Fund		
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %
By Geography (Primary)		
Quoted equities		
China		
Angang Steel Co Ltd	6,000,000	18,937,148
China Mengniu Dairy Co Ltd	3,880,000	20,460,745
China Power International Development Ltd	7,250,000	6,054,594
China Resources Land Ltd	2,500,000	5,802,687
China Shenhua Energy Co	3,430,000	18,188,582
CNOOC Ltd	6,500,000	11,277,013
Denway Motors Ltd	12,000,000	8,751,080
First Natural Foods Holdings	15,000,000	3,528,661
Hengan International Group Co Ltd	1,500,000	8,071,812
Hunan Non Ferrous Metals	14,302,000	13,598,029
Mainland Headwear Holdings Ltd	5,500,000	3,213,042
Nine Dragons Paper Holdings Ltd	5,300,000	18,847,363
Petrochina Co Ltd	3,700,000	8,312,349
Shanghai Jin Jiang International Hotel Co Ltd	5,866,000	4,657,303
Shenzhou International Group	7,500,000	5,528,236
Zhuzhou Csr Times Elec Co Ltd	4,439,000	11,660,774
Total China	166,889,418	12.69
Hong Kong		
AAC Acoustic Technology Holdings Inc.	5,178,000	8,841,331
Foxconn International Holdings Ltd	2,591,000	11,326,865
Hysan Development Co Ltd	2,068,000	8,432,402
Kingboard Chemical Holdings	1,500,000	10,527,172
Kingboard Laminates Holdings	5,000,000	7,116,133
Victory City International Holdings Ltd	5,000,000	3,146,389
Total Hong Kong	49,390,292	3.75

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Acorns of Asia Balanced Fund (continued)			
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	
By Geography (Primary)			
Quoted equities			
Indonesia			
PT Astra Agro Lestari	7,393,500	17,091,566	1.30
PT Bank Mandiri	38,951,500	20,449,609	1.56
PT Medco Energi International	32,839,500	19,465,417	1.48
PT Mitra Adiperkasa	26,476,500	3,811,348	0.29
PT Ramayana Lestari Sentosa	44,775,000	7,582,889	0.58
PT United Tractors	16,000,000	22,083,948	1.68
Total Indonesia	90,484,777	6.89	
Malaysia			
Naim Cendera Holdings Bhd	4,030,000	9,200,978	0.70
Ta Ann Holdings Bhd	3,772,600	18,899,090	1.44
YTL Corporation Bhd	1,539,100	5,595,030	0.43
YTL Power International Bhd	7,274,320	7,610,726	0.58
Total Malaysia	41,305,824	3.15	
Philippines			
Aboitiz Equity Ventures Inc	19,005,000	5,227,336	0.40
Alliance Global Group Inc	23,790,000	4,572,533	0.35
Banco De Oro	7,500,000	17,024,967	1.30
Filinvest Land Inc	160,000,000	11,346,664	0.86
First Gen Corporation	6,691,000	14,966,810	1.14
International Container Term Services Inc	7,114,000	6,718,823	0.51
Total Philippines	59,857,133	4.56	
Singapore			
Jaya Holdings Ltd	4,000,000	6,960,000	0.53
Keppel Corp Ltd	1,770,000	21,771,000	1.66
Unisteel Technology Ltd	2,750,000	6,050,000	0.46
Total Singapore	34,781,000	2.65	

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Acorns of Asia Balanced Fund <i>(continued)</i>			
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	
By Geography (Primary)			
Quoted equities			
South Korea			
Daelim Industrial Co Ltd	76,533	17,136,278	1.30
Daewoo Shipbuilding & Marine Co Ltd	200,000	17,282,307	1.32
Daishin Securities Co Ltd	292,672	14,319,808	1.09
Doosan Heavy Industries & Construction	130,000	19,146,541	1.46
Doosan Infracore Co Ltd	349,720	17,952,094	1.37
GS Engineering & Construction Co Ltd	110,118	20,272,873	1.54
Hyundai Engineering & Construction	119,200	13,404,171	1.02
Hyundai Heavy Industries	25,400	14,576,183	1.11
Hyundai Steel Co	180,000	15,285,388	1.16
LG Petrochemical Co Ltd	278,100	16,581,884	1.26
NHN Corp	50,000	13,931,994	1.06
Samsung Card Co Ltd	4,390	414,296	0.03
Samsung Engineering Co Ltd	65,000	10,457,289	0.80
Samsung Heavy Industries	165,000	12,451,720	0.95
Samsung Techwin Co Ltd	171,980	13,862,712	1.06
SIMM Tech Co Ltd	725,800	16,070,605	1.22
Ssangyong Motor Co Ltd	1,285,500	15,265,784	1.16
Yuhan Corporation	38,074	10,766,806	0.82
Total South Korea		259,178,733	19.73
Taiwan			
Advanced Semiconductor Engineering	5,244,000	10,972,643	0.84
Ambassador Hotel	8,401,000	14,589,686	1.11
Catcher Technology Co Ltd	584,000	8,406,186	0.64
Formosa Chemical & Fiber	4,674,000	16,518,732	1.26
Foxconn Technology Co Ltd	480,000	8,875,225	0.68
High Tech Computer Corp	515,000	14,126,868	1.08
Innolux Display Corporation	3,586,000	22,745,245	1.73
Mitac International Corp	6,300,000	12,282,778	0.94
Pixart Imaging Inc	368,000	8,458,052	0.64
Unimicron Technology Corp	3,050,000	7,195,673	0.55
Vanguard International Semi	11,161,000	17,188,582	1.31
Wistron Corp	4,345,000	12,488,181	0.95
Total Taiwan		153,847,851	11.73

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Acorns of Asia Balanced Fund (continued)			
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	
<u>By Geography (Primary)</u>			
<u>Quoted equities</u>			
Thailand			
PTT Public Co Ltd - Foreign	738,000	9,610,764	0.73
Total Thailand		9,610,764	0.73
Total Equities		865,345,792	65.88
<u>Quoted Debt Securities</u>			
Germany			
Dresdner Bank AG 5.30% 18 Feb 2010	250,000	266,967	0.02
Total Germany		266,967	0.02
Hong Kong			
Citic Ka Wah Bank 12 Dec 2011	900,000	1,391,004	0.11
HK Land Treasury 3.65% 05 Oct 2015	10,000,000	9,994,000	0.76
Total Hong Kong		11,385,004	0.87
India			
Bank of Baroda 6.625% 25 May 2022	1,000,000	1,471,861	0.11
ICICI Bank Ltd 3.3% 03 May 2012	2,000,000	1,986,088	0.15
Total India		3,457,949	0.26
Indonesia			
Indonesia Recap 13.4% 15 Feb 2011	15,000,000,000	3,055,778	0.23
Lippo Karawaci Finance 8.875% 09 Mar 2011	1,000,000	1,572,751	0.12
Majapahit Holdings 7.25% 17 Oct 2011	400,000	630,379	0.05
PT Bank Lippo 22 Nov 2016	500,000	782,675	0.06
PT Indosat Isatij 7.125% 22 Jun 2012	771,000	1,202,512	0.09
Rep of Indonesia 6.875% 09 Mar 2017	3,000,000	4,849,651	0.37
Rep of Indonesia 7.25% 20 Apr 2015	1,200,000	1,963,580	0.15
Rep of Indonesia 7.5% 15 Jan 2016	3,000,000	5,088,363	0.39
Total Indonesia		19,145,689	1.46

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Acorns of Asia Balanced Fund (continued)		
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %
By Geography (Primary)		
Quoted Debt Securities		
Pakistan		
Republic of Pakistan 6.875% 01 Jun 2017	1,500,000	0.17
Republic of Pakistan 7.125% 31 Mar 2016	1,000,000	0.12
Total Pakistan	3,759,807	0.29
Philippines		
National Power Corp 6.875% 02 Nov 2016	700,000	0.08
Total Philippines	1,089,890	0.08
Singapore		
Ascott Capital 3.085% 27 Apr 2010	3,000,000	0.23
Capitaland Commercial 4.4% 03 Mar 2011	4,250,000	0.33
Capitaland Treasury Ltd 4.08% 15 Mar 2011	5,000,000	0.39
DBS Bank 4.47% 15 Jul 2021	16,000,000	1.33
Fraser & Neave Ltd 3.41% 12 Aug 2010	5,000,000	0.39
HSBC Singapore 3.36% 22 Nov 2010	2,000,000	0.15
Queensley Holdings Ltd 4.5% 05 Dec 2009	24,000,000	1.85
Sengkang Mall Ltd 4.88% 20 Nov 2012	3,600,000	0.28
Singapore Govt Bond 2.25% 01 Jul 2013	2,500,000	0.19
Singapore Govt Bond 3.25% 01 Sep 2020	4,165,000	0.33
Singapore Govt Bond 3.5% 01 Jul 2012	2,000,000	0.16
Singapore Govt Bond 3.625% 01 Jul 2014	20,000,000	1.63
Singapore Govt Bond 3.75% 01 Sep 2016	20,000,000	1.65
Singapore Govt Bond 4.375% 15 Jan 2009	3,000,000	0.24
SPARC II Ltd 5% 07 Sep 2011	2,100,000	0.17
Standard Chartered Bank 2.35% 07 Feb 2008	2,000,000	0.15
Tuas Power Ltd 4.5% 28 May 2009	3,000,000	0.23
UOB Ltd 4.1% 03 Sep 2019	20,000,000	1.59
UOB Ltd 3.34% 15 May 2012	3,000,000	0.23
Wing Tai Holdings 4.98% 25 Apr 2011	7,500,000	0.60
Total Singapore	159,181,772	12.12

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Acorns of Asia Balanced Fund (continued)			
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	
<u>By Geography (Primary)</u>			
<u>Quoted Debt Securities</u>			
Sweden			
Swedbank 3.445% 28 Feb 2008	5,000,000	5,087,074	0.39
Total Sweden		5,087,074	0.39
United Arab Emirates			
Emirates Airlines 4.28% 21 Jun 2011	2,500,000	2,564,888	0.20
Total United Arab Emirates		2,564,888	0.20
United Kingdom			
Standard Chartered 6.409% 31 Dec 2049	1,600,000	2,439,164	0.19
Standard Chartered 7.014% 30 Dec 2049	2,500,000	3,678,865	0.28
Total United Kingdom		6,118,029	0.47
United States			
General Electric Cap Corp 2.725% 10 Nov 2008	2,000,000	2,006,615	0.15
Total United States		2,006,615	0.15
Total Debt Securities		214,063,684	16.31
<u>Others</u>			
China			
Capitaretail China Trust	200,000	620,000	0.05
Total China		620,000	0.05
Malaysia			
Amanah Raya Reit	1,000,000	410,075	0.03
Total Malaysia		410,075	0.03

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Acorns of Asia Balanced Fund (continued)			
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	
By Geography (Primary)			
Others			
Singapore			
Ascendas Real Estate Investment Trust	7,442,000	21,879,480	1.67
Capitacommercial Trust	1,100,000	3,212,000	0.24
Capitamall Trust	5,895,000	24,759,000	1.89
Cityspring Infrastructure	580,000	701,800	0.05
DBS Group Hldgs 6% Non Cum Pref Shs	100,000	10,990,000	0.84
First Ship Lease Trust	2,000,000	3,003,408	0.23
Frasers Centrepoint Trust	5,000,000	8,600,000	0.65
Macquarie Prime Reit	3,500,000	4,305,000	0.33
Total Singapore		77,450,688	5.90
Total Others		78,480,763	5.98
Portfolio of investments		1,157,890,239	88.17
Other net assets		155,329,143	11.83
Net assets attributable to unitholders		1,313,219,382	100.00

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

	Acorns of Asia Balanced Fund (continued)	
	Percentage of total net assets attributable to unitholders at 30 June 2007	Percentage of total net assets attributable to unitholders at 31 December 2006
	%	%
By Geography (Summary)		
<u>Equities</u>		
China	12.69	14.36
Hong Kong	3.75	2.99
Indonesia	6.89	9.23
Malaysia	3.15	2.35
Philippines	4.56	2.15
Singapore	2.65	3.74
South Korea	19.73	22.41
Taiwan	11.73	13.02
Thailand	0.73	1.02
Total Equities	65.88	71.27
<u>Debt Securities</u>		
Australia	-	0.47
China	-	0.13
Germany	0.02	0.02
Hong Kong	0.87	1.06
India	0.26	-
Indonesia	1.46	1.83
Pakistan	0.29	0.15
Philippines	0.08	0.10
Singapore	12.12	14.56
Sweden	0.39	-
United Arab Emirates	0.20	0.24
United Kingdom	0.47	0.23
United States	0.15	0.19
Total Debt Securities	16.31	18.98
<u>Others</u>		
China	0.05	0.04
Malaysia	0.03	-
Singapore	5.90	5.47
Total Others	5.98	5.51
Portfolio of investments	88.17	95.76
Other net assets	11.83	4.24
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

	Acorns of Asia Balanced Fund (continued)		
	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
By Industry (Secondary)			
Equities			
Agribusiness	17,091,566	1.30	1.64
Auto	24,016,864	1.83	1.87
Chemicals	33,100,616	2.52	0.05
Coal	18,188,582	1.38	-
Conglomerates	5,595,030	0.43	2.18
Construction Material	18,899,090	1.44	1.39
Consumer Product	28,532,557	2.17	3.18
Electrical	6,054,594	0.46	0.40
Electronics	210,466,245	16.03	18.00
Energy	9,610,764	0.73	2.54
Engineering & Construction	80,417,152	6.12	7.36
Finance	37,888,872	2.89	3.25
Food	8,101,194	0.62	-
Hotel	19,246,989	1.46	0.40
Industrial	21,771,000	1.66	-
Infrastructure	11,660,774	0.89	0.03
Machinery	40,036,042	3.05	3.10
Metals	13,598,029	1.04	1.26
Oil & Gas	39,054,779	2.97	9.21
Paper	18,847,363	1.43	1.51
Pharmaceutical	10,766,806	0.82	-
Property	9,200,978	0.70	0.61
Real Estate	25,581,753	1.94	2.67
Retail	11,394,237	0.87	1.08
Securities	14,319,808	1.09	-
Shipbuilding	44,310,210	3.38	4.13
Steel Manufacturing	34,222,536	2.60	2.81
Textiles & Apparel	11,887,667	0.90	1.17
Transportation	13,678,823	1.04	0.75
Utilities	27,804,872	2.12	0.68
Total Equities	865,345,792	65.88	71.27

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Acorns of Asia Balanced Fund (continued)			
Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %	
<u>By Industry (Secondary)</u>			
<u>Debt Securities</u>			
Airlines	2,564,888	0.20	0.24
Banks	61,796,790	4.70	4.60
Electric Power & Gas	1,720,269	0.13	0.16
Finance	2,006,615	0.15	0.66
Government	73,781,597	5.63	6.71
Industrial	5,074,963	0.39	0.47
Real Estate	62,832,744	4.79	5.74
Utilities	3,083,306	0.23	0.29
Telecommunications	1,202,512	0.09	0.11
Total Debt Securities	214,063,684	16.31	18.98
<u>Others</u>			
Banks	10,990,000	0.84	1.01
Infrastructure	701,800	0.05	-
Real Estate	63,785,555	4.86	4.50
Shipping	3,003,408	0.23	-
Total Others	78,480,763	5.98	5.51
Portfolio of investments	1,157,890,239	88.17	95.76
Other net assets	155,329,143	11.83	4.24
Net assets attributable to unitholders	1,313,219,382	100.00	100.00

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Singapore Bond Fund		
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %
By Geography (Primary)		
Quoted Debt Securities		
Germany		
Hamburg LBK Finance Ltd 0% 31 Jul 2007	6,644,000	1.23
Total Germany	6,631,376	1.23
Hong Kong		
Cathay Pacific 3.82% 09 Nov 2011	5,000,000	0.94
Citic Ka Wah Bank 12 Dec 2011	1,700,000	0.49
HK Land Treasury 3.01% 04 Oct 2010	5,000,000	0.92
HK Land Treasury 3.65% 05 Oct 2015	10,000,000	1.85
Total Hong Kong	22,696,948	4.20
India		
Bank of Baroda 6.625% 22 May 2022	2,000,000	0.54
ICICI Bank Ltd 4.35% 08 Aug 2016	7,000,000	1.28
Total India	9,895,030	1.82
Indonesia		
Indonesia Recap 13.4% 15 Feb 2011	10,000,000,000	0.38
Majapahit Holding 7.25% 17 Oct 2011	600,000	0.17
PT Bank Lippo 22 Nov 2016	1,000,000	0.29
PT Indosat Isatij 7.125% 22 Jun 2012	514,000	0.15
Rep of Indonesia 6.875% 09 Mar 2017	1,000,000	0.30
Rep of Indonesia 7.25% 20 Apr 2015	800,000	0.24
Rep of Indonesia 7.5% 15 Jan 2016	2,000,000	0.63
Total Indonesia	11,676,134	2.16
Japan		
Mizuho Finance 8.375% 29 Dec 2049	2,000,000	0.60
Total Japan	3,242,934	0.60

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Singapore Bond Fund (continued)			
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	
By Geography (Primary)			
Quoted Debt Securities			
Netherlands			
ABN Amro Bank 0% 11 Jul 2007	12,000,000	11,989,560	2.22
Total Netherlands		11,989,560	2.22
Pakistan			
Republic of Pakistan 6.875% 01 Jun 2017	2,500,000	3,679,704	0.68
Republic of Pakistan 7.125% 31 Mar 2016	500,000	775,992	0.14
Total Pakistan		4,455,696	0.82
Philippines			
National Power Corp 6.875% 02 Nov 2016	1,300,000	2,024,081	0.37
Total Philippines		2,024,081	0.37
Singapore			
Ascott Capital 3.085% 27 Apr 2010	8,000,000	7,979,275	1.47
Capitaland Commercial 4.4% 03 Mar 2011	1,750,000	1,766,354	0.33
Capitaland Commercial 3.98% 07 May 2010	1,000,000	995,988	0.18
Capitaland Treasury 4.08% 15 Mar 2011	5,000,000	5,184,303	0.96
DBS Bank 4.47% 15 Jul 2021	16,000,000	17,464,789	3.23
Fraser & Neave Ltd 3.41% 12 Aug 2010	5,000,000	5,074,963	0.94
HSBC Singapore 3.18% 24 Nov 2008	15,000,000	15,090,353	2.79
HSBC Singapore 3.36% 22 Nov 2010	5,000,000	5,051,411	0.93
Keppel Land Ltd 31 Mar 2013	3,000,000	3,000,216	0.55
Power Seraya Ltd 3.97% 30 Sep 2010	3,000,000	3,084,620	0.57
Queensley Holdings Ltd 4.5% 05 Dec 2009	13,000,000	13,170,069	2.43
Sengkang Mall Ltd 4.88% 20 Nov 2012	2,400,000	2,437,156	0.45
Senoko Power Ltd 4.51% 14 Oct 2013	2,000,000	2,140,029	0.40
Singapore Govt Bond 2.25% 01 Jul 2013	10,000,000	9,837,878	1.82
Singapore Govt Bond 3.25% 01 Sep 2020	4,165,000	4,301,554	0.79
Singapore Govt Bond 3.5% 01 Jul 2012	5,000,000	5,280,517	0.98

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Singapore Bond Fund (continued)			
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	
By Geography (Primary)			
Quoted Debt Securities			
Singapore Govt Bond 3.625% 01 Jul 2014	12,000,000	12,819,898	2.37
Singapore Govt Bond 3.75% 01 Sep 2016	10,000,000	10,838,302	2.00
Singapore Govt Bond 4.375% 15 Jan 2009	3,000,000	3,148,086	0.58
SP Power Assets 4.84% 22 Oct 2018	1,750,000	1,946,787	0.36
SPARC II Ltd 5% 07 Sep 2011	1,000,000	1,086,753	0.20
Standard Chartered Bank 2.35% 07 Feb 2008	1,000,000	1,008,107	0.19
Tuas Power Ltd 4.5% 28 May 2009	500,000	513,884	0.09
UOB Ltd 4.1% 03 Sep 2019	8,000,000	8,363,737	1.55
United Overseas Land Ltd 3.34% 15 May 2012	9,000,000	8,954,184	1.65
Wing Tai Holdings 4.98% 25 Apr 2011	7,500,000	7,845,310	1.45
Total Singapore	158,384,523	29.26	
Sweden			
Swedbank 3.445% 28 Feb 2008	10,500,000	10,682,855	1.97
Total Sweden	10,682,855	1.97	
United Kingdom			
Standard Chartered 6.409% 31 Dec 2049	2,900,000	4,420,984	0.82
Standard Chartered 7.014% 30 Dec 2049	5,000,000	7,357,730	1.36
Total United Kingdom	11,778,714	2.18	
United States			
Citigroup Inc 4.05% 22 Jun 2016	10,000,000	10,388,125	1.92
General Electric Cap Corp 2.725% 10 Nov 2008	2,000,000	2,006,615	0.37
Household Fin Corp 3% 12 May 2009	5,000,000	5,006,137	0.93
Lehman Brothers Treasury 4.35% 08 Aug 2016	10,000,000	10,513,425	1.94
Toyota Motor Credit 2.72% 04 Sep 2007	35,000,000	3,531,827	0.65
Total United States	31,446,129	5.81	
Total Debt Securities	284,903,980	52.64	

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Singapore Bond Fund (continued)		
Holdings as at 30 June 2007	Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %
By Geography (Primary)		
Others		
China		
Capitaretail China Trust	370,000	0.21
Total China	1,147,000	0.21
Malaysia		
Amanah Raya Reit	1,200,000	0.09
Total Malaysia	492,090	0.09
Singapore		
Ascendas Real Estate Investment Trust	6,676,000	3.63
Capitacommercial Trust	550,000	0.30
Capitamall Trust	5,895,000	4.58
CDL Hospitality Trust	1,000,000	0.45
Citispring Infrastructure Trust	650,000	0.15
DBS Group Hldgs 6% Non Cum Pref Shs	106,850	2.17
First Ship Lease Trust	6,000,000	1.66
Frasers Centrepoint Trust	5,000,000	1.59
Macquarie Prime Reit	5,500,000	1.25
Total Singapore	85,356,979	15.78
Total Others	86,996,069	16.08
Portfolio of investments	371,900,049	68.72
Other net assets	169,278,627	31.28
Net assets attributable to unitholders	541,178,676	100.00

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

	Singapore Bond Fund (continued)	
	Percentage of total net assets attributable to unitholders at 30 June 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
By Geography (Summary)		
<u>Debt Securities</u>		
Australia	-	0.12
China	-	0.34
Germany	1.23	3.57
Hong Kong	4.20	5.43
India	1.82	-
Indonesia	2.16	2.86
Japan	0.60	0.80
Netherlands	2.22	-
Pakistan	0.82	0.19
Philippines	0.37	0.50
Singapore	29.26	47.81
South Korea	-	2.45
Sweden	1.97	1.94
United Kingdom	2.18	1.07
United States	5.81	11.07
Total Debt Securities	52.64	78.15
<u>Others</u>		
China	0.21	0.19
Malaysia	0.09	-
Singapore	15.78	13.80
Total Others	16.08	13.99
Portfolio of investments	68.72	92.14
Other net assets	31.28	7.86
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Portfolio Statements *(continued)*

As at 30 June 2007

Singapore Bond Fund (continued)			
Fair value at 30 June 2007 S\$	Percentage of total net assets attributable to unitholders at 30 June 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %	
<u>By Industry (Secondary)</u>			
<u>Debt Securities</u>			
Airlines	5,087,211	0.94	1.22
Banks	110,235,170	20.38	21.21
Electric Power & Gas	2,969,650	0.54	0.73
Finance	27,689,380	5.12	10.26
Government	59,045,472	10.91	25.33
Industrial	5,074,963	0.94	3.21
Telecommunications	801,674	0.15	0.19
Real Estate	66,315,140	12.24	14.15
Utilities	7,685,320	1.42	1.85
Total Debt Securities	284,903,980	52.64	78.15
<u>Others</u>			
Banks	11,742,815	2.17	2.78
Hotel	2,460,000	0.45	-
Infrastructure	786,500	0.15	-
Real Estate	62,996,530	11.65	11.21
Shipping	9,010,224	1.66	-
Total Others	86,996,069	16.08	13.99
Portfolio of investments	371,900,049	68.72	92.14
Other net assets	169,278,627	31.28	7.86
Net assets attributable to unitholders	541,178,676	100.00	100.00

The accompanying notes form an integral part of these financial statements.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements

For the six-month period ended 30 June 2007

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

AIG International Funds is a Singapore umbrella fund constituted under a Trust Deed dated 15 February 1999 (and the "Supplemental Deeds") between AIG Global Investment Corporation (Singapore) Ltd (the "Manager") and Citicorp Trustee (Singapore) Limited (the "Trustee"). The Deed is governed by the laws of the Republic of Singapore.

These financial statements cover the following sub-funds under AIG International Funds:

- Acorns of Asia Balanced Fund
- Singapore Bond Fund

The sub-funds are unit trusts included under the Central Provident Fund Investment Scheme ("CPFIS").

The registered office of the Manager and the Trustee are 1 Robinson Road, #13-00, AIA Tower, Singapore 048542; and 3 Temasek Avenue, #12-00 Centennial Tower, Singapore 039190 respectively.

The financial statements of AIG International Funds are presented in Singapore Dollar.

2 Significant accounting policies

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of quoted investments and financial derivatives at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore ("ICPAS").

(b) Investment income recognition

Dividend income from investments is recognised when the right to receive payment is established.

Interest income arising from fixed deposits and debt securities is recognised in the Statement of Total Return on a time proportion basis using the effective interest method.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

2. Significant accounting policies (continued)

(c) Charging of operating expenses against the value of the sub-funds

All direct operating expenses are attributable to the sub-funds and charged to the Statements of Total Return for each sub-fund. Certain shared expenses are allocated to each sub-fund based on the respective sub-fund's net asset values. From time to time, the Manager may at its own discretion, choose to absorb certain expenses of the sub-funds.

(d) Investments

The sub-funds' portfolio of investments comprises investments in debt securities and equities, which are recognised at fair value. These investments are designated by the Manager as investments at fair value through profit and loss with realised and unrealised gains and losses from changes in fair values of investments included in the Statement of Total Return.

(e) Fair value

Fair values of investments are based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. Accrued interest or discount and premium on debt securities at the balance sheet date are incorporated in the fair value of the debt securities. The carrying amount of current receivables (including cash and bank balances) and payables approximate their fair values.

(f) Foreign currencies translation

Foreign currency monetary assets and liabilities are converted to Singapore dollars at rates of exchange prevailing at the date of the balance sheet. Transactions in foreign currencies during the year are converted into Singapore dollars for the respective sub-funds at the rates of exchange prevailing on the transaction dates. Differences on exchange are included in the respective Statements of Total Return.

Amounts receivable and payable denominated in foreign currencies are translated into Singapore dollars at exchange rates prevailing at the balance sheet date. All translation gains or losses are recognised in the Statements of Total Return.

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

2. Significant accounting policies (continued)

(g) Derivative financial instruments

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques. All derivatives are carried as assets when fair value is positive, and as liabilities when fair value is negative. Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statements of Total Return.

3. TAX

The Fund is a unit trust under the Central Provident Fund Investment Scheme. Accordingly, the Fund is accorded the following Singapore income tax treatment:

(a) General

No tax is withheld from distributions made by the Fund.

(b) Tax of the Fund

The following types of income/gains earned by the Fund are exempt from Singapore income tax in accordance with Section 35(12) of the Income Tax Act:

- interest (other than interest for which has been deducted under Section 45 of the Singapore Income Tax Act);
- distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore; and
- gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, forwards, swaps and options relating to securities, financial indices, interest rates and currencies.

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
	S\$	S\$	S\$	S\$
Singapore income tax	290,804	272,706	264,619	189,664
Overseas income tax	1,483,593	1,170,773	-	-
Total income tax	1,774,397	1,443,479	264,619	189,664

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

4 Receivables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 S\$	31 December 2006 S\$	30 June 2007 S\$	31 December 2006 S\$
Amounts receivable for creation of units	12,560,036	1,694,265	2,247,493	693,220
Sales awaiting settlement	1,125,296	-	-	-
Accrued interest receivables	22,385	4,610	48,021	17,190
Other receivables	1,890,807	151,032	-	-
	15,598,524	1,849,907	2,295,514	710,410

5 Payables

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 S\$	31 December 2006 S\$	30 June 2007 S\$	31 December 2006 S\$
Payable to unitholders for cancellation of units	5,239,148	1,565,255	1,036,433	292,651
Accrued expenses	1,802,692	1,483,968	457,276	393,092
Purchase awaiting settlement	4,238,522	466,432	-	-
	11,280,362	3,515,655	1,493,709	685,743

6. Financial derivatives, at fair value

- (a) Financial derivative contracts comprise forward foreign exchange contracts. The contracted or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the balance sheet date are analysed below.

	Contractual or underlying principal amount S\$	Fair value gains S\$	Fair value losses S\$
30 June 2007			
Acorns of Asia Balanced Fund [see (b) below]	32,020,243	121,474	-
Singapore Bond Fund [see (b) below]	44,481,096	168,747	-

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

6. Financial derivatives, at fair value (continued)

	Contractual or underlying principal amount S\$	Fair value gains S\$	Fair value losses S\$
31 December 2006			
Acorns of Asia Balanced Fund [see (b) below]	23,899,854	69,912	-
Singapore Bond Fund [see (b) below]	22,993,621	67,261	-

- (b) The forward foreign exchange contracts were entered into with AIG International Inc., a related company of the Manager.

7. Net assets attributable to unitholders

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 S\$	31 December 2006 S\$	30 June 2007 S\$	31 December 2006 S\$
At the beginning of financial year	1,062,405,794	925,981,572	413,157,029	243,683,544
Operations				
Change in net assets attributable to unitholders resulting from operations	202,600,603	105,702,111	19,598,179	24,671,586
Unitholders' contributions/ (withdrawals)				
Creation of units	195,712,763	158,173,773	147,921,345	182,420,587
Cancellation of units	(147,499,778)	(127,451,662)	(39,497,877)	(37,618,688)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	48,212,985	30,722,111	108,423,468	144,801,899
Total increase in net assets attributable to unitholders	250,813,588	136,424,222	128,021,647	169,473,485
At the end of financial year	1,313,219,382	1,062,405,794	541,178,676	413,157,029
Units in issue (see note 8)	521,677,838	503,284,472	394,445,079	314,358,208
Net asset attributable to unitholders per unit	S\$2.517	S\$2.110	S\$1.372	S\$1.310

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

7. Net assets attributable to unitholders (continued)

Reconciliation of Net Assets Attributable to Unitholders per Unit for issuing/redeeming units at financial year end and the Net Asset Attributable to Unitholders per Unit per the financial statements:

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 S\$	31 December 2006 S\$	30 June 2007 S\$	31 December 2006 S\$
Net assets attributable to unitholders per unit for issuing/redeeming units	2.525	2.120	1.373	1.320
Effect of adopting bid prices as fair value	(0.008)	(0.010)	(0.001)	(0.010)
Net assets attributable to unitholders per unit per the financial statements	2.517	2.110	1.372	1.310

8. Units in issue

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Units at beginning of year	503,284,472	486,970,797	314,358,208	198,602,164
Units created	83,541,203	81,433,154	109,308,904	145,760,393
Units cancelled	(65,147,837)	(65,119,479)	(29,222,033)	(30,004,349)
Units at end of year	521,677,838	503,284,472	394,445,079	314,358,208

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

9. Related party disclosures

(a) As at 30 June 2007, the Manager and Trustee of AIG International Funds are AIG Global Investment Corporation (Singapore) Limited, a member of American International Group, Inc.; and Citicorp Trustee (Singapore) Limited, a member of Citigroup, respectively. Management fees and trustee fees paid or payable by the respective sub-funds to the Manager and Trustee are shown in the Statement of Total Return and are on terms set out in the Trust Deed. All other related party transactions are disclosed elsewhere in the financial statements.

(b) As at 30 June 2007 and during the six-month period then ended, the following significant transactions took place between the sub-funds and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

(i)

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 S\$	31 December 2006 S\$	30 June 2007 S\$	31 December 2006 S\$
Income derived/ (expenses incurred) for the financial year				
- Current account	42,386	66,126	821	2,925
- Bank charges	(3,600)	(9,899)	(1,838)	(4,862)

(ii) As at the end of the financial year, the sub-funds maintained current accounts with Citibank N.A. as follows:

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 S\$	31 December 2006 S\$	30 June 2007 S\$	31 December 2006 S\$
Balance at the end of the financial year				
- Current account	55,055,974	32,566,567	291,491	203,013

(c) The Manager has purchased Macquarie MEAG ("MMP") REIT from a related party, Nanshan Life Insurance Company, which is approximately 95% ultimately owned by American International Group, Inc. on 07 March 2007 as follows:

- (i) Acorns of Asia Balanced Fund 5,500,000 units
- (ii) Singapore Bond Fund 3,500,000 units

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

10. Financial risk management

Risk Management Objectives and Policies

The main risks arising from financial instruments directly held by the sub-funds are foreign currency, interest rate, liquidity and credit risks.

(a) *Foreign currency risk*

Acorns of Asia Balanced Fund:

A substantial proportion of the sub-fund's assets are held in currencies other than Singapore dollars with the result that the Statements of Total Return and Balance Sheets can be significantly affected by currency movements.

The following sets out the sub-fund's total exposure to foreign currency risk at 30 June 2007:

Currency	Gross S\$	Hedges S\$	Net S\$
HKD	214,230,646	-	214,230,646
IDR	94,112,904	-	94,112,904
KRW	258,401,024	-	258,401,024
MYR	41,837,990	-	41,837,990
PHP	63,636,557	-	63,636,557
THB	9,610,764	-	9,610,764
TWD	204,798,602	-	204,798,602
USD	32,643,584	(32,055,669)	587,915
	919,272,071	(32,055,669)	887,216,402

Singapore Bond Fund:

Most of the sub-fund's assets are held in Singapore dollars. The following sets out the sub-fund's total exposure to foreign currency risk at 30 June 2007.

Currency	Gross S\$	Hedges S\$	Net S\$
IDR	1,960,594	-	1,960,594
MYR	492,090	-	492,090
USD	45,206,916	(44,530,308)	676,608
	47,659,600	(44,530,308)	3,129,292

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

10. Financial risk management (continued)

(b) Interest Rate Risk

The weighted effective interest rate of interest-bearing debt instruments held by the sub-funds are as follows:

Currency	Acorns of Asia Balanced Fund	Singapore Bond Fund
	%	%
IDR	8.26	8.26
SGD	3.43	3.37
USD	6.90	7.07

The weighted average maturity period of the debt instruments held by the sub-funds are as follows:

Currency	Acorns of Asia Balanced Fund	Singapore Bond Fund
	Years	Years
IDR	3.63	3.63
SGD	6.67	5.16
USD	15.10	22.57

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

10. Financial risk management (continued)

(b) *Interest Rate Risk* (continued)

Acorns of Asia Balanced Fund:

30 June 2007

Assets

	Up to 1 year S\$	1 to 5 years S\$	Over 5 years S\$	Non-interest bearing S\$	Total S\$
Investments	9,109,903	104,396,103	100,557,678	943,826,555	1,157,890,239
Receivables	-	-	-	15,598,524	15,598,524
Cash and bank balances	55,055,974	-	-	-	55,055,974
Fixed deposits with financial institutions	95,833,533	-	-	-	95,833,533
Fair value on financial derivatives	-	-	-	121,474	121,474
Total assets	159,999,410	104,396,103	100,557,678	959,546,553	1,324,499,744

Liabilities

Payables	-	-	-	11,280,362	11,280,362
Net assets attributable to unitholders	-	-	-	1,313,219,382	1,313,219,382
Total liabilities	-	-	-	1,324,499,744	1,324,499,744

31 December 2006

Assets

	Up to 1 year S\$	1 to 5 years S\$	Over 5 years S\$	Non-interest bearing S\$	Total S\$
Investments	10,479,108	69,621,620	121,567,969	815,699,598	1,017,368,295
Receivables	-	-	-	1,849,907	1,849,907
Cash and bank balances	32,566,567	-	-	-	32,566,567
Fixed deposits with financial institutions	14,066,768	-	-	-	14,066,768
Fair value on financial derivatives	-	-	-	69,912	69,912
Total assets	57,112,443	69,621,620	121,567,969	817,619,417	1,065,921,449

Liabilities

Payables	-	-	-	3,515,655	3,515,655
Net assets attributable to unitholders	-	-	-	1,062,405,794	1,062,405,794
Total liabilities	-	-	-	1,065,921,449	1,065,921,449

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

10. Financial risk management (continued)

(b) *Interest Rate Risk (continued)*

Singapore Bond Fund:

30 June 2007

Assets

	Up to 1 year S\$	1 to 5 years S\$	Over 5 years S\$	Non-interest bearing S\$	Total S\$
Investments	50,940,693	105,425,567	128,537,720	86,996,069	371,900,049
Receivables	-	-	-	2,295,514	2,295,514
Cash and bank balances	291,491	-	-	-	291,491
Fixed deposits with financial institutions	168,016,584	-	-	-	168,016,584
Fair value on financial derivatives	-	-	-	168,747	168,747
Total assets	219,248,768	105,425,567	128,537,720	89,460,330	542,672,385

Liabilities

Payables	-	-	-	1,493,709	1,493,709
Net assets attributable to unitholders	-	-	-	541,178,676	541,178,676
Total liabilities	-	-	-	542,672,385	542,672,385

31 December 2006

Assets

	Up to 1 year S\$	1 to 5 years S\$	Over 5 years S\$	Non-interest bearing S\$	Total S\$
Investments	104,818,643	90,834,530	127,229,498	57,819,520	380,702,191
Receivables	-	-	-	710,410	710,410
Cash and bank balances	203,013	-	-	-	203,013
Fixed deposits with financial institutions	32,159,897	-	-	-	32,159,897
Fair value on financial derivatives	-	-	-	67,261	67,261
Total assets	137,181,553	90,834,530	127,229,498	58,597,191	413,842,772

Liabilities

Payables	-	-	-	685,743	685,743
Net assets attributable to unitholders	-	-	-	413,157,029	413,157,029
Total liabilities	-	-	-	413,842,772	413,842,772

AIG INTERNATIONAL FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

Notes To The Financial Statements *(continued)*

For the six-month period ended 30 June 2007

10. Financial risk management (continued)

(c) Liquidity Risk

The sub-funds' assets comprise mainly readily realisable securities. The main liability of the sub-funds is the redemption of any units that investors wish to sell.

(d) Credit Risk

Each sub-fund will be exposed to credit risks on parties with whom it trades and will also bear the risks of settlement default. The sub-fund minimises the concentration of credit risk by undertaking transactions with numerous brokers and counterparties on recognised and reputable exchanges.

11. Financial ratios

	Acorns of Asia Balanced Fund		Singapore Bond Fund	
	30 June 2007 %	31 December 2006 %	30 June 2007 %	31 December 2006 %
Ratio of expenses to average net assets ¹	1.73	1.76	1.15	1.17
Portfolio turnover ratio ²	34.71	59.32	40.55	28.99

¹ Expense ratio as at 30 June 2007 is calculated in accordance with IMAS Guidelines on disclosure of expense ratios issued on 25 May 2005.

The expense ratio does not include (where applicable) brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio Turnover Ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

Important Notice:

The forecast and views made herein are based on information and developments as of 30 June 2007 (unless otherwise stated). No liability in respect of any error or omission (including any third party liability) on any information or opinion provided in this publication is accepted by AIG Global Investment Corporation (Singapore) Ltd or its affiliates or any director or employee of AIG Global Investment Corporation (Singapore) Ltd or its affiliates. Forecasts on the economy, stock market, bond market and economic trends and past performances are not necessarily indicative of the future or likely performances of the unit trusts. The value of units in the funds and the income from them may fall as well as rise and, investors may not get back the full amount originally invested. All applications for units must be made on the application forms accompanying the prospectus of the relevant unit trust, which investors should read for details before deciding whether to subscribe for or purchase units. A copy of the prospectus is available and can be obtained from AIG Global Investment Corporation (Singapore) Ltd and participating distributors' offices. This document should not be reproduced or distributed in whole or part to any other person without consent from AIG Global Investment Corporation (Singapore) Ltd.

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