

AIG Global Real Estate



Asia Capabilities

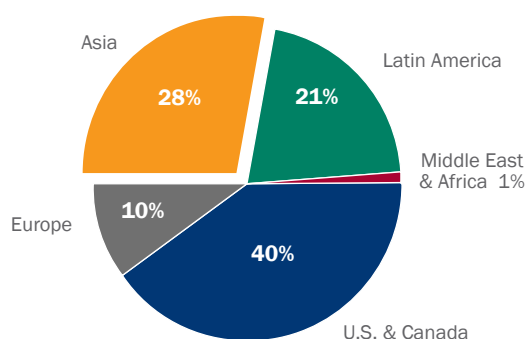
This material must be read in conjunction with the Disclosure Statement.

Investor to Investor.

INTRODUCTION

AIG Global Real Estate comprises a group of international companies within AIG Global Investment Group that invest in and actively manage real estate for clients and AIG companies around the world. AIG Global Real Estate performs a full range of real estate investment and facilities management services for AIG companies, as well as institutional and corporate clients. AIG Global Real Estate's property portfolio includes over 53 million square feet of properties owned, managed, or under development in more than 50 countries. AIG Global Real Estate is headquartered in New York, with regional offices in Atlanta, Hong Kong, London, Los Angeles, Mexico City, San Francisco, Seoul, Singapore and Tokyo.

Geographic Composition of Property Portfolio¹



AIG Global Real Estate's Asian team, including approximately 100 experienced investment professionals, is focused on core plus, value added, and opportunistic investments and developments. We have been very active in most major markets, especially Japan, Singapore, Hong Kong, Taiwan, Malaysia and South Korea. We invest and develop across all real estate sectors. We oversee a large and diversified portfolio of debt and equity throughout Asia including properties comprising more than 15 million square feet. Asian investments are identified, underwritten and managed from four major regional offices: Hong Kong, Singapore, South Korea and Tokyo.

The AIG investment process is founded on an intimate knowledge of the real estate markets in the Asian region and having a platform that enables us to execute in all locations. This means that investment strategy, acquisition, asset management, portfolio management and disposition decisions are driven by a combination of both market knowledge and ability to execute. AIG Global Real Estate benefits from a steady flow of investment opportunities from the following sources:

- AIG Global Real Estate's pro-active efforts to identify and structure potential real estate and real estate-related investment opportunities;
- AIG Global Real Estate's extensive local, regional and global network;
- The extensive local, regional and global network available to AIG Global Real Estate as an AIG Company.

AIG Global Real Estate closely manages each element of the investment process, including due diligence, underwriting, the negotiation of the terms of each investment and the presentation of each investment opportunity to AIG's Real Estate Investment Committee for approval.

Although the relative lack of financial transparency in some Asian countries may make due diligence more difficult than in more developed countries, AIG Global Real Estate seeks the best possible understanding of each potential investment and related issues, drawing on its own resources as well as those of third party advisors.

Our Asia focused fund business has been highly successful² and includes:

- **AIG Asian Real Estate Partners, L.P. ("Asia Fund")** - The Asia Fund was created in response to a strengthening Asian economy and a growing inventory of real estate opportunities in Asia. The Asia Fund is focused on major Asian markets with high barriers to entry, strong employment growth, and high cost of ownership. The Asia Fund had a final close in March 2003 with total equity commitments of US \$100 million and was fully committed in 2005.
- **AIG Japan Real Estate Y.K. ("Japan Fund")** - Japan Fund was created to capitalize on the improving market opportunity in Japan, characterized by a rebounding real estate sector and a favorable interest rate environment. Japan Fund is focused on the repositioning of Japanese office buildings and primarily invests in income-producing office properties in Japan. The Japan Fund had a final close in March 2004 with total equity commitments of approximately JPY 15 billion; it was fully invested in 2005.
- **Prime Property Program ("PPP")** - In 2005, AIG Global Real Estate created a separate account investment program to target core plus real estate in Japan. The fund closed in 2005 with total equity commitments of JPY 50 billion and was fully invested in less than 12 months.
- **Prime Property Program II ("PPP II")** - In 2006, AIG Global Real Estate created PPP II as a follow on fund to PPP I. Similar to its predecessor fund, PPP II targets core real estate in Japan and closed with total equity commitments of JPY 50 billion.
- **AIG Japan Real Estate Value Added II Y.K. ("Japan Fund II")** - Japan Fund II capitalizes on current opportunities in the improving Japanese real estate market. Japan Fund II was formed to make value-added real estate investments focusing on income-producing and other properties in the office, residential, and retail sectors in Japan. Japan Fund II was oversubscribed and had a final close in July 2005 with total equity commitments of JPY 30 billion; it is currently approximately 60% committed.

¹ As a percentage of total square feet. As of 31 December 2004.

² Past performance is not indicative of future results.

The Sail @ Marina, Singapore

In early 2002, AIG Global Real Estate began examining the potential to acquire and develop the Marina Boulevard site within the New Downtown of Singapore. The site was being tendered for sale by the Singapore Government in an effort to promote a seamless extension of the existing Singapore Central Business District. The site was designated a “white site” which allows maximum flexibility to decide on the type of development and could reach as high as 50 stories.

Given the prime location and the development flexibility, AIG Global Real Estate entered into an agreement with a local property developer to acquire the site. The joint venture acquired the site in May 2003 and determined to develop two high-rise residential towers based on growing demand for mid-range housing, including 1,111 units with studio, two-, three-, and four-bedroom layouts.

Development Role:

AIG Global Real Estate actively participated in the development of The Sail @ Marina and led the design, contractor selection and all management decisions, contributing to the overall success of the project and pre-sale of all units at prices significantly above pro-forma.

Though development is not yet complete, the site has benefited from a very successful pre-sale marketing effort:

- Tower I sales were launched in November 2004 and were completely sold out by October 2005. The average per-square foot sales price achieved was US \$560, 11% higher than pro-forma
- Tower II sales were launched in October 2005 and by the end of the same month, all but 4 of the 426 units were pre-sold at a per square foot sales price of US \$697, over 39% higher than pro-forma
- Construction of Towers I and II are currently underway and expected to be delivered in Q4 2008



110 Repulse Bay and Peak Homes, Hong Kong

In early 2001, AIG Global Real Estate entered into a joint venture to develop single family homes on two prime sites in Hong Kong, 110 Repulse Bay Road, Island South (“110 Repulse Bay”) and 56 Peak Road, The Peak (“Peak Homes”). The sites are located in what is considered by many to be two of the most expensive residential locations in Hong Kong.

110 Repulse Bay consists of four luxury, detached houses, each with a private swimming pool and a garden. Peak Homes consists of three luxury townhouses, each with a private swimming pool and a spacious garden/ terrace. All seven homes were successfully sold between the fourth quarter of 2003 and the second quarter of 2004 with sales prices which achieved a new benchmark for transaction size and unit price at the time of their sales.

Development Role:

AIG Global Real Estate played an active role with our partner in the development and sale of the seven homes.



SELECT CASE STUDIES – ASIA FACILITY DEVELOPMENT

AIG Global Real Estate has developed office property throughout Asia, for facility use and for investment. Highlighted below are two recently completed projects that demonstrate our knowledge of local markets and ability to execute development projects in the region.

Philamlife Tower – Makati, Philippines – Completed in 2000

In the late 1990's AIG Global Real Estate became aware that an affiliated insurance company operating in Makati desired additional space. After analysis of the local market leasing options and properties available for acquisition in the local markets, AIG Global Real Estate implemented a strategy to develop a Class A office project built to international standards on land that was currently owned by an AIG company. Given the projected market demand for Class A office space, we determined to build an office tower ten times larger than the space required by the local insurance affiliate.



Development Role:

AIG Global Real Estate was the sole developer of Philamlife Tower. Development was completed under budget and on time in a market known for one to two year completion delays.

Highlights of the investment strategy included:

- Development of 735,000 square foot office building
- In a market with 30% vacancy, AIG Global Real Estate achieved a 90% leasing level within 12 months of construction completion with a blue-chip tenant roster

AIG Tower - Hong Kong – Completed in 2005



An AIG company occupied its first Hong Kong office during the 1930's. The Hong Kong headquarters were later moved from Queen's Road to Stubbs Road in the mid 1960's. By the late 1990's, the Stubbs Road office was too small and technologically insufficient. AIG Global Real Estate reviewed the Hong Kong market and analyzed the value of renting versus owning in several key business districts within Hong Kong. It was determined that developing an office tower, with additional space for non-AIG tenants, would be the most advantageous opportunity.

AIG Global Real Estate acquired the site of the former Furama Hotel with two local property developers. AIG Tower's design opens to expansive harbor and garden views, and represents a new landmark in the heart of Hong Kong's Central Business District and stunning skyline. The design incorporates specific site requirements and, by its shape and lighting, reflects two Chinese icons: the junk boat and lantern.

Development Role:

AIG Global Real Estate was co-developer of AIG Tower along with one of the two joint venture partners. AIG Global Real Estate led the construction and design of the project and played an active role in the day to day management of the project during development. The project set new standards for design and efficiency in Hong Kong and received the Hong Kong Building Environmental Assessment Method Award.

Highlights of the investment strategy included:

- 450,000 square foot office building
- 70% leased to third party tenants and the remaining portion used as AIG's regional headquarters
- Over 95% leased within just a few months of completion, with some of the highest rental rates achieved in the market

Shanghai Centre, China

In 1985, AIG Global Real Estate entered into a partnership to develop Shanghai Centre, a large mixed-use real estate project developed on Nanjing Road West, in the heart of Puxi. The project was the first international-quality mixed-use development in Shanghai and represented one of the first foreign real estate investments in China after the markets re-opened to foreign investment. AIG Global Real Estate was the lead foreign investor in the project and, through its position on the board of directors, was active in the development and management of the project as well as the management of the relationship between the foreign investors and municipal partner. In March 2000, AIG Global Real Estate was hired by the project to assume direct, day-to-day property management and asset management of the Project.



Development Role:

AIG Global Real Estate manages the ongoing renovations of Shanghai Centre, including a complete renovation of the 472 apartment units and major refurbishment of the hotel rooms.

The property includes over 1.7 million feet:

- Approximately 80,000 square feet of prime office space
- More than 300,000 square feet of retail space
- 472 luxury, serviced apartments
- 598 room 5-star Ritz Carlton hotel
- 991 seat theater and exhibition space

REAL ESTATE ENDNOTES

This presentation is not an offer to sell or a solicitation of an offer to buy an interest in any fund. An offering is only made by Private Placement Memorandum. The delivery of this presentation or the Memorandum at any time does not imply that the information contained herein or therein is correct as of any time subsequent to their respective dates. None of the information contained in this presentation may be communicated to third parties in any form without AIGGIG's written approval.

Certain information in this presentation has been obtained from published and non-published sources. The information contained in this presentation may not be reproduced or redistributed without the written approval of AIG Global Real Estate. The Manager, its affiliates and/or AIG Equity Sales Corp. make no representation as to the accuracy or completeness of the information contained herein.

Investors should note the following regarding real estate investments:

- They are not subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors;
- They are speculative and involve a high degree of risk;
- Investors could lose all or a substantial amount of their investment;
- Interests may be illiquid and there may be significant restrictions in transfer;
- There is no secondary market for interests, and none is expected to develop;
- They may be leveraged, and their performance may be volatile;
- They have high fees and expenses that will reduce returns;
- They may involve complex tax structures;
- They may involve structures or strategies that may cause delays in important tax information being sent to investors;
- They and their managers/advisers may be subject to various conflicts of interest;
- They may hold concentrated positions with a limited number of investments;
- They, or their underlying fund investments, may invest a substantial portion of their assets in non-U.S. assets, which could mean higher risk.

The list set forth here is not a complete list of the risks and other important disclosures associated with such investments and is subject to the more complete risk and disclosures contained in the applicable confidential offering documents.

The investment manager has total trading authority over fund investments. The use of a single adviser applying generally similar trading programs could mean lack of diversification and, consequently, higher risk.

The Fund's returns will be reduced by management fees and other expenses. Investment return and principal value of a portfolio will fluctuate, and there can be no assurances that losses will not be incurred. The results presented were calculated internally and were not audited by an independent party. Unless otherwise noted, actual or anticipated performance returns contained in this report do not reflect the deduction of investment advisory, administrative and incentive fees. Advisory fees will reduce the returns in this report in addition to any other expenses incurred in the management of an investment account. The investment advisory fees are described in Form ADV Part II for AIGGIG-U.S. which is available upon request.

GLOBAL DISCLOSURE STATEMENT

- **Readership:** This document is intended solely for the addressee(s). Its content may be legally privileged and/or confidential.
- **Opinions:** Any opinions expressed in this document may be subject to change without notice. We are not soliciting or recommending any action based on this material.
- **Risk Warning:** Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. The investment risks vary between different types of instruments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation may be very high (including total loss of investment), as the value of such an investment may fall suddenly and substantially.
- In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved.
- AIG Global Investment Group comprises a group of international companies which provide investment advice and market asset management products and services to clients around the world.
- AIG Global Investment Group and AIGGIG are registered service marks of American International Group, Inc.
- Unless otherwise noted, all information contained herein is sourced with AIG and/or AIG Global Investment Group internal data.
- The content included herein has been shared with various in-house departments within the member companies of AIGGIG and/or AIG Private Bank Ltd., in the ordinary course of completion. All AIGGIG member companies comply with the confidentiality requirements of their respective jurisdictions.
- Parts of this presentation may be based on information received from sources we consider reliable. We do not represent that all of this information is accurate or complete, however, and it may not be relied upon as such.
- AIG Global Investment Corp. (Switzerland) Ltd. is a wholly owned subsidiary of AIG Private Bank Ltd.
- AIG Global Investment Corp. (Europe) Ltd. is authorized and regulated by the Financial Services Authority.
- In the UK this document is intended for Intermediate Customers only and has been approved by AIG Global Investment (Europe) Ltd., authorized and regulated by the FSA.
- AIG Global Real Estate Investment (Europe) Ltd. is an Appointed Representative of AIG Global Investment Corp. (Europe) Ltd.
- Approved by AIG Global Investment Corp. (Ireland) Ltd. and AIG Global Investment Fund Management Ltd., both authorized and regulated by the Financial Regulator.
- Services and products are provided by one or more investment management subsidiaries of American International Group, Inc. ("AIG").

AIG Global Investment Group Web Address: www.aiggig.com

