



Quartalsbericht per 31. März 2001

Quarterly Report as of March 31, 2001

FIRMENPROFIL

Die AIG Private Equity AG ist eine schweizerische Beteiligungsgesellschaft mit Sitz in Zug. Anlageziel des Unternehmens ist der langfristige Kapitalzuwachs für die Aktionäre durch aktive Bewirtschaftung eines ausgewogenen Portfolios von Private Equity-Fonds-Anlagen und Direktinvestitionen in operativ tätige Unternehmen. Diese Kombination von Fonds- und Direktanlagen ergibt eine ausgeglichene Diversifikation und kalkulierbarere Mittelflüsse – Schlüsselfaktoren einer umfassenden Risikokontrolle. Obwohl die Gesellschaft noch jung ist, die Gründung erfolgte im September 1999, befindet sich ein ansehnlicher Teil der Investitionen in einer reifen Phase. Bei jeder Position handelt es sich zudem um ein Co-Investment mit AIG, einem etablierten, erfolgreichen und weltweit tätigen Private Equity-Investor. Die Gesellschaft ist an der SWX Schweizer Börse unter dem Symbol «APEN» kotiert und wird täglich gehandelt.

COMPANY PROFILE

AIG Private Equity Ltd. is a Swiss investment company domiciled in Zug. The company's objective is to achieve long-term capital growth for shareholders by actively managing a well-balanced portfolio of private equity funds and direct investments in privately held operating companies. This combination of fund-of-funds and direct investments provides broad diversification and predictable cash flows – key elements in a comprehensive risk management program. While the company is relatively young, having been established in September 1999, many of its investments are mature, and all of them are co-investments with AIG, an established and successful global private equity investor. AIG Private Equity Ltd. is listed on the SWX Swiss Exchange under the ticker symbol "APEN" and is traded daily.

ÜBERBLICK WERTENTWICKLUNG

Kursinformationen per 31. März 2001

Schlusskurs pro Aktie CHF 153.00
Innerer Wert pro Aktie CHF 129.28
Wechselkurs CHF/USD 1.7325
Wechselkurs CHF/EUR 1.5275

PERFORMANCE SUMMARY

Valuation as of March 31, 2001

Closing price per share CHF 153.00
Net asset value per share CHF 129.28
Exchange rate CHF/USD 1.7325
Exchange rate CHF/EUR 1.5275



AIG

PRIVATE EQUITY

SCHWERPUNKTE

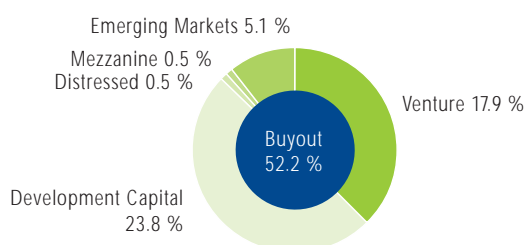
Im ersten Quartal ist der Innere Wert von AIG Private Equity (unter Anwendung von Fair Values) um 5.6% auf CHF 129.28 pro Aktie angestiegen. Für diese Wertsteigerung war hauptsächlich die Kursentwicklung des USD ausschlaggebend. Bei der Erstellung der konsolidierten Jahresrechnung hat die Gesellschaft das Investment Portfolio einer genauen Überprüfung unterzogen und in Übereinstimmung mit den Rechnungslegungsgrundsätzen bei gewissen Beteiligungen Wertkorrekturen vorgenommen (6.5% vom Inneren Wert). Wir glauben jedoch, dass die Wertkorrektur nunmehr das aktuelle Umfeld auf konservative Art widerspiegelt. Der Aktienkurs der Gesellschaft sank um ca. 6 Prozent im ersten Quartal 2001. Verglichen mit ausgewählten Aktienindices (SPI: -11.9%, NASDAQ: -25.5%) stellt dies eine recht gute Performance dar. Der reife Teil des Private Equity Fondsportfolios generierte Kapitalgewinne von total CHF 1.82 Millionen. Im Weiteren entwickeln sich unsere Direktinvestitionen erfreulich. Mit Ausnahme unserer kleinsten Direktbeteiligung haben die Unternehmungen gegenwärtig keine Finanzierungsbedürfnisse. Die guten Resultate vom ersten Quartal der Fresenius Medical Care sowie die ausgezeichnete Auslastung der Universal Studios Escape sind repräsentative Beispiele für die Qualität der Direktinvestitionen.

Im ersten Quartal fügten wir zwei weitere europäische Private Equity Fonds unserem Portfolio hinzu: **EQT Northern Europe Fund, L.P.** und **Electra European Fund L.P.** *EQT Northern Europe Fund* übernimmt typischerweise Mehrheitsbeteiligungen an etablierten Unternehmen. Diese Gesellschaften sind vorwiegend im Ingenieur-, Telekom- und Konsumgütersektor in Skandinavien und Deutschland tätig. Der *Electra European Fund* hingegen investiert in Midmarket Buy-outs, Konsolidierungen und Umstrukturierungen in den folgenden Bereichen: Dienstleistungen, Finanzdienstleistungen, Konsumgüter, Industrie und Medien/Kommunikation. Die Investments werden vorwiegend in England, Frankreich, Deutschland sowie teilweise in Italien und Spanien vorgenommen. Diese beiden Zahlungsverpflichtungen, in die in EUR denominierten Fonds, reduzieren das Gewicht der vorwiegend in USD getätigten Investitionen und somit die Volatilität des Inneren Wertes.

Der Private Equity Markt ist gegenwärtig stürmischem Wetter ausgesetzt mit viel stärkeren Böen als in den Jahren 87-88 und 91-92. Längerfristig gesehen sind die Ereignisse ein sehr heilsamer Prozess für die Investoren. Aktive *Venture Funds* erweitern zur Zeit ihr Portfolio zu sehr günstigen Konditionen. Im Bereich Venture Capital verfolgen wir insbesondere den Medizinalsektor weiterhin aufmerksam. Dieser erlebte nicht die Exzesse, wie dies beim IT-Bereich in den späten Neunzigern der Fall war und bringt zudem kommerzielle Produkte schneller auf den Markt. Die bestehende Marktsituation bestätigt die Richtigkeit unserer Strategie, einen diversifizierten Private Equity Fond aufzubauen. Innerhalb des *Buyout*-Bereichs hat die Kapitalknappheit dazu geführt, dass Investitionen zu einem tieferen Preis und mit einem höheren Anteil an Eigenmitteln finanziert werden. Zudem haben sich die Kaufpreise zurückgebildet, und wir erwarten daher höhere risikoangepasste Einnahmen von Fonds mit heutigem Lancierungsjahr. Der Markt befindet sich heute in einer besseren Ausgangslage als 98-99, zu einem Zeitpunkt als Preise (insbesondere im Bereich Venture Capital) völlig überhöht waren.

1. Diversifikation nach Investitions-Fokus per 31. März 2001
Diversification by Investment Focus as of March 31, 2001

Expressed as % of invested assets applying fair values



HIGHLIGHTS

The Company's Net Asset Value (applying fair values) increased 5.6% to CHF 129.28 per share during the first quarter. Foreign exchange gains contributed mainly to the appreciation. In the course of preparing the consolidated financial statements 2000, the Company performed a thorough review of its investment portfolio and adjusted the carrying value of certain securities in accordance with the accounting and valuation policy (6.5% of the Net Asset Value). We believe that reported investment values following the write-downs conservatively reflect the current market environment. The share price of the company receded approximately 6% in the first quarter of 2001, which represents a good performance relative to major stock market indices (SPI: -11.9%; NASDAQ: -25.5%). The seasoned part of the portfolio of private equity funds continued to deliver capital gains totalling CHF 1.82 million. Additionally, we are pleased with the performance of our direct investment portfolio. With the exception of our smallest direct investment, the companies have no current financing requirements. The solid first quarter result of Fresenius Medical Care and the current attendance figures at Universal Studios Escape are a representative reflection of the quality of the direct investments.

In the first quarter we added two European private equity funds to our portfolio: **EQT Northern Europe Fund, L.P.** and **Electra European Fund L.P.** *EQT Northern Europe Fund* will make lead investments in medium and large size companies in industries such as engineering, telecom related equipment, and consumer products. The geographic focus is Scandinavia and Germany. The company committed EUR 12.5 million to this fund. The *Electra European Fund* will invest in mid market buy-outs, consolidations, and restructurings in the following industries: services, financial services, consumer, industrial and media/communications. Investments are primarily executed in the UK, France, Germany, and opportunistically in Italy and Spain. The company committed EUR 15 million to the fund. Both funds are renowned market players with proven track records. Both commitments in EUR denominated funds underline our goal to reduce the USD exposure which should result in a lower volatility of the net asset value.

The private equity market is currently weathering a storm with stronger gusts than the conditions experienced in 1987-88 and 1991-92. In the long term, the shake out of the past half-year is a very healthy process for investors. Active *venture funds* are currently buying in at very attractive valuations. In the venture stage we continue to monitor the life sciences markets closely. This sector has not witnessed the excesses that the IT industry did in the late nineties. Additionally, the industry has progressed in bringing commercial products to the market at a faster pace. The existing market conditions have validated our strategy of developing a diversified private equity fund. Within the *buyout* area the scarcity of capital results in deals getting financed at lower prices and higher amounts of equity. Additionally, purchase prices multiples have dropped significantly and therefore we expect better risk-adjusted returns from the current vintage year funds. In general, the environment today is certainly better than 1998-99 when values (especially in the venture sector) were, in retrospect, excessively inflated.

2. Investitionsrahmen per 31. März 2001

Investment Framework as of March 31, 2001

Expressed as % of total assets applying fair values

	Fund Investments		Direct Investments	Total
	AIG Portfolio	3rd-Party Portfolio	Portfolio	
Developed Markets				
Europe	11.58 %	15.94 %	2.95 %	30.47 %
North America	9.57 %	38.00 %	7.10 %	54.67 %
Emerging Markets				
Asia	3.13 %			3.13 %
South America	0.91 %			0.91 %
Total	25.19 %	53.94 %	10.05 %	89.18 %

KONSOLIDIERTE BILANZ PER 31. MÄRZ 2001 (UNGEPRÜFT)
CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2001 (UNAUDITED)

in 1000 CHF

	31.3.01
Aktiven/Assets	
Umlaufvermögen/Current assets	
– Flüssige Mittel/Cash and cash equivalents	50 695
– Aktive Rechnungsabgrenzungen/Receivables and prepayments	4 310
	55 005
Anlagevermögen/Long-term assets	
– Darlehen/Loans	4 622
– Investitionen/Investments	
Direktinvestitionen/Direct investments	33 373
Fonds/Funds	143 257
Vertragliche Vereinbarungen/Contractual agreements	177 882
	359 134
Total Aktiven/Total Assets	414 139
Passiven/Liabilities and Shareholders' Equity	
Kurzfristiges Fremdkapital/Current Liabilities	
– Passive Rechnungsabgrenzungen/Payables and accrued charges	11 177
Eigenkapital/Shareholders' Equity	
– Aktienkapital/Share capital	317 500
– Agio/Share capital premium	93 588
– Neubewertungsreserve/Revaluation surplus	19 644
– Reinverlust/Net loss	–2 088
– Verlustvortrag/Retained losses	–16 873
– Eigene Aktien/Treasury Stock (at cost)	–8 809
	402 962
Total Passiven/Total Liabilities and Shareholders' Equity	414 139

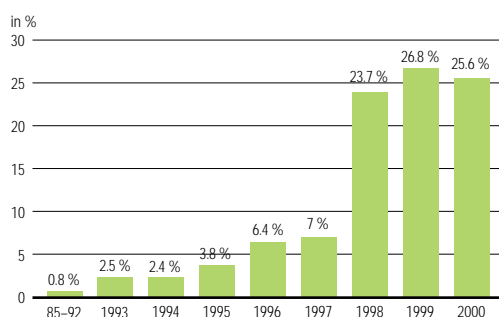
KONSOLIDIERTE ERFOLGSRECHNUNG VOM 1. JANUAR BIS 31. MÄRZ 2001 (UNGEPRÜFT)
CONSOLIDATED INCOME STATEMENT FOR THE PERIOD OF JANUARY 1ST TO MARCH 31, 2001 (UNAUDITED)

in 1000 CHF

	1.1.–31.3.01
Ertrag/Income	
Zinsertrag netto/Interest, net	310
Realisierte Kapitalgewinne aus Investitionen/Net realized gains on investments	1 862
Total Ertrag/Total Income	2 172
Aufwand/Expenses	
Management-Gebühren/Management fees	1 975
Service-Gebühren/Service fees	125
Sonstiger Betriebsaufwand/Other operating expenses	169
Netto-Devisenverlust/Foreign currency exchange loss, net	1 991
Total Aufwand/Total Expenses	4 260
Reinverlust/Net Loss	–2 088

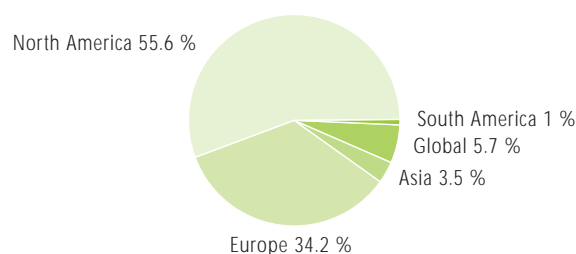
3. Diversifikation nach Lancierungsjahr per 31. März 2001
Diversification by Vintage Year as of March 31, 2001

Expressed as % of invested assets applying fair values



4. Diversifikation nach Regionen per 31. März 2001
Diversification by Region as of March 31, 2001

Expressed as % of invested assets applying fair values



AIG PRIVATE EQUITY PORTFOLIO IN MILLION AS OF MARCH 31, 2001

Name of Fund	Strategic Focus	Geographic Focus	Inception	CHF Commitment	CHF Invested****
AIG Fund Portfolio					
AIG Asian Opportunity Fund, L.P. *	Regional	Asia	1998	25.18	12.62
AIG Blue Voyage Fund L.P.	Regional	Europe	2000	8.66	1.92
AIG Brazil Special Situations Fund L.P.	Regional	South America	2000	17.33	3.68
AIG Global Sports & Entertainment Fund, L.P.	Buyout	Global	2000	8.66	3.62
AIG Horizon Partners Fund, L.P.	Buyout	Europe/US	1999	127.58	45.33
AIG Highstar Capital, L.P.	Buyout	North America	2000	12.69	0.93
AIG Orion Fund, L.P. * ¹	Venture	Israel	1999	9.92	3.48
CapVest Equity Partners L.P.	Buyout	Europe	2000	60.64	29.48
Subtotal Affiliate Funds				270.66	101.05
As % of Total Assets				67%	25%

Third Party Fund Portfolio
International Fund

A & A Venture AG	Venture	Europe	2000	2.76	2.76
AEA Scandinavia I **	Buyout	Europe	1995	8.86	5.24
AEA Scandinavia II **	Buyout	Europe	1998	8.86	7.18
Baring Communications Equity Limited **	Dev. Capital	Europe	1993	4.43	3.14
Carlyle Europe Venture Partners , L.P.	Venture	Europe	2000	4.96	1.02
Carlyle Europe Partners L.P. **	Buyout	Europe	1998	22.15	12.09
Doughty Hanson & Co. III **	Buyout	Europe/US	1997	15.06	8.81
Electra European Fund, L.P.	Buyout	Europe	2001	25.99	-
EQT Northern Europe Fund, L.P.	Buyout	Europe	2001	21.66	-
Excel Capital Partners III, L.P. **	Dev. Capital	Europe	1998	8.86	4.23
GMT Communications Partners II, L.P.	Venture	Europe	2000	3.97	0.38
Klesch Capital Partners L.P. **	Buyout	Europe	1997	2.66	1.62
Palamon European Equity Fund L.P. **	Buyout	Europe	1999	8.86	2.22
Schroder German LBO **	Buyout	Europe	1991	4.61	3.55
Schroder Venture International Trust Plc **	Buyout	Global	1996	4.54	10.71
Schroder Venture Italian Fund II **	Buyout	Europe	1994	0.89	1.20
TH Lee.Putnam Internet Partners, L.P.	Venture	Europe/US	2000	4.38	2.32
The Cinven Fund I **	Buyout	Europe	1996	8.86	2.79
The Cinven Fund II **	Buyout	Europe	1998	25.25	16.38
Subtotal International Funds				187.60	85.64
As % of Total Assets				47%	21%

Third Party Fund Portfolio
US Funds

Advanced Technology Ventures VI, L.P.	Venture	North America	2000	4.38	2.03
AEA Investors, Inc. I ***	Buyout	North America	1991	2.64	0.12
AEA Investors, Inc. II ***	Buyout	North America	1997	6.34	5.16
American Industrial Partners Capital Fund II, L.P. ***	Buyout	North America	1995	2.11	2.03
Apollo Investment Fund III, L.P. ***	Buyout	North America	1995	2.11	0.96
Apollo Investment Fund IV, L.P. ***	Buyout	North America	1998	7.92	8.15
Bain Capital Fund VI, L.P. ***	Buyout	North America	1998	0.53	0.45
Bain Capital VI Coinvestment Fund, L.P. ***	Buyout	North America	1998	0.53	0.31
Baker Communications Fund II, L.P.	Venture	North America	2000	5.25	1.92
Berkshire Fund II, L.P. ***	Buyout	North America	1986	1.06	0.27
Berkshire Fund III, L.P. ***	Buyout	North America	1992	1.58	1.19
Berkshire Fund IV, L.P. ***	Buyout	North America	1996	2.22	2.56
Berkshire Fund V, L.P. *** ¹	Buyout	North America	1998	12.29	4.71
Blackstone Capital Partners II ***	Buyout	North America	1993	2.11	0.93
Blackstone Capital Partners III ***	Buyout	North America	1997	7.92	6.08
Blackstone Mezzanine Partners, L.P.	Buyout	North America	1999	4.90	1.23
Boston Millennia Partners II, L.P.	Venture	North America	2000	4.38	1.37
Carlyle Partners II, L.P. ***	Buyout	North America	1994	3.17	2.95
Carlyle Partners III, L.P.	Buyout	North America	2000	7.01	1.91
Charter Growth Capital II, L.P.	Venture	North America	2000	1.75	0.91
Charterhouse Equity Partners II, L.P. ***	Buyout	North America	1993	1.58	0.85
Clayton & Dubilier Private Equity Fund IV, L.P. ***	Buyout	North America	1989	1.03	0.38
Clayton, Dubilier & Rice Fund V, L.P. ***	Buyout	North America	1995	2.11	1.79
Clayton, Dubilier & Rice Fund VI, L.P. ***	Buyout	Europe/US	1998	2.64	0.78
DLJ Merchant Banking Partners II, L.P. ***	Buyout	North America	1996	2.11	1.46
Dubilier CRM Fund I, L.P. ***	Buyout	North America	1996	0.53	0.34
E Trade e Commerce Fund, LLC	Venture	North America	1999	4.38	3.54
Evercore Capital Partners, L.P. ***	Buyout	North America	1997	1.06	0.72
Fenway Capital Partners Fund II, L.P. ***	Buyout	North America	1998	3.17	1.40

AIG PRIVATE EQUITY PORTFOLIO IN MILLION AS OF MARCH 31, 2001

Name of Fund	Strategic Focus	Geographic Focus	Inception	CHF Commitment	CHF Invested****
Fenway Partners Capital Fund, L.P. ***	Buyout	North America	1996	3.17	2.50
GKH Investments, L.P. ***	Buyout	North America	1998	2.64	1.05
Greenwich Street Capital Partners, L.P. ***	Buyout	North America	1994	2.64	2.01
Hoak Communications Partners, L.P. ***	Buyout	North America	1997	0.42	0.79
JK&B Capital III, L.P.	Venture	North America	2000	5.25	2.73
Kelso Investment Associates V, L.P. ***	Buyout	North America	1993	2.64	3.22
Kelso Investment Associates VI, L.P. ***	Buyout	North America	1998	3.17	1.21
KRG Capital Fund I, L.P. *** ¹	Buyout	North America	1999	7.37	5.33
LJM2 Co-investment Fund, L.P.	Buyout	North America	2000	3.99	1.00
Meritage Private Equity Fund, L.P.	Venture	North America	1999	1.75	1.02
Merrill Lynch Capital Appreciation Fund II ***	Buyout	North America	1988	2.64	0.49
Morgan Stanley Capital Partners III, L.P. ***	Buyout	North America	1994	2.11	2.00
Morgan Stanley Leveraged Equity Fund II, L.P. ***	Buyout	North America	1987	2.64	0.49
North Castle Capital Partners II, L.P. *** ¹	Buyout	North America	1999	6.14	5.81
Odyssey Investment Partners Fund L.P. ***	Buyout	North America	1997	1.06	0.48
Questor Partners Fund II, L.P. ***	Buyout	North America	1999	13.35	1.08
Questor Partners Fund, L.P. ***	Buyout	North America	1995	3.96	1.31
RCBA Strategic Partners, L.P. *** ¹	Buyout	North America	1998	7.90	7.06
Sandler Mezzanine Partners ***	Mezzanine	North America	1993	2.11	0.72
Sankaty High Yield Partners ***	Buyout	North America	1998	0.85	1.15
Silver Lake Partners, L.P. *** ¹	Buyout	North America	1999	11.80	6.32
Stonington Capital Appreciation 1994 Fund, L.P. ***	Buyout	North America	1995	3.17	2.49
TCV IV, L.P.	Venture	North America	2000	15.14	6.93
Thayer Equity Investors Fund IV, L.P. ***	Buyout	North America	1998	7.90	5.33
Thayer Equity Investors III, L.P. ***	Buyout	North America	1996	2.11	2.48
Thomas Weisal Capital Partners, L.P.	Venture	North America	2000	5.60	3.10
Tullis-Dickerson Capital Focus, L.P. ***	Buyout	North America	1987	0.54	0.05
Warbug Pincus Equity Partners, L.P. ***	Buyout	North America	1998	10.57	8.00
WPG Corporate Development Associates IV, L.P. ***	Buyout	North America	1994	1.06	0.35
WPG Corporate Development Associates V, L.P. ***	Buyout	North America	1997	2.11	1.44
Subtotal US Funds				234.66	134.43
As % of Total Assets				58%	33%
Direct Investments Portfolio					
Advanced Medicine Inc.	Venture	Global	2000	4.60	4.60
Fresenius Medical Care AG	Buyout	Global	2000	4.43	4.43
Magnetic Data Technologies, LLC	Buyout	Global	2000	1.73	1.73
UTI Corporation	Buyout	North America	2000	5.45	5.45
Personics Software, Inc.	Venture	North America	1999	0.71	0.71
Punch Group Ltd	Buyout	Europe	1999	8.88	9.40
Atlantech International, Inc. ("Tensar")	Buyout	Global	2000	4.24	4.24
Universal Studio Escape	Buyout	North America	2000	7.44	7.44
Subtotal Direct Investments				37.48	38.00
As % of Total Assets				9%	9%
Total of all Investments				730.40	359.13
As % of Total Assets				181%	89%

* Funds accessed through Total Return Swap I with AIG
 ** Funds accessed through Total Return Swap II with AIG
 *** Funds accessed through Total Return Swap III with AIG
 **** Fair value of capital invested in CHF (unaudited)
¹ Funds accessed directly and through Total Return Swaps

Please see Information Memorandum for details of Total Return Swaps

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Conradin Schneider
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WICHTIGE INFORMATIONEN/ IMPORTANT INFORMATION

Valorenummer/Swiss Security Number

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Ticker: APEN

Handel/Trading Information

Reuters: APEZn.S
Bloomberg: APEN
Telekurs: APEN

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