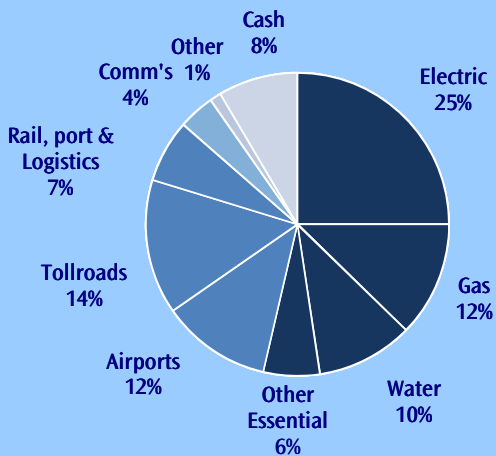
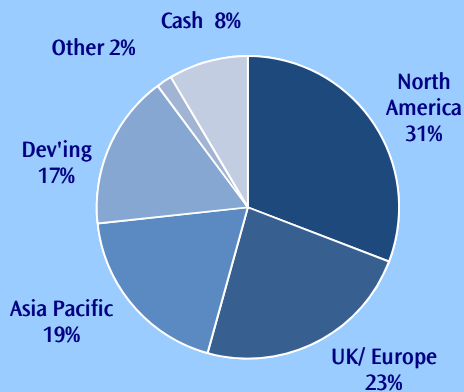
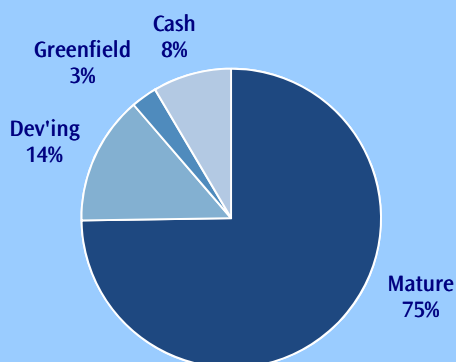


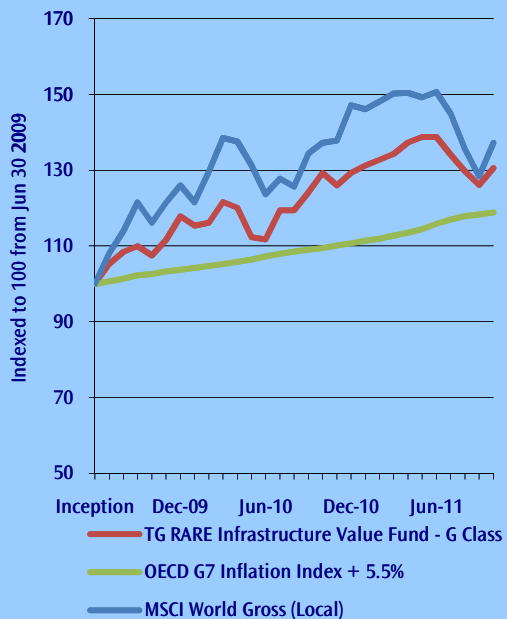
**Performance Summary (total return in GBP after fees)**

	1, 5, 6				
	This Month	3 months	1 Year	2 Years	Inception <sup>7</sup>
TG RARE Infrastructure Value Fund - G Class	3.5%	-2.6%	1.0%	10.2%	12.1%
BENCH:OECD G7 Inflation Index + 5.5%	0.4%	1.6%	8.6%	7.6%	7.7%
MSCI World Gross	6.9%	-5.4%	0.0%	8.7%	14.5%

**Overview of Fund Exposures and Portfolio Statistics**
**Sector Exposures** <sup>2</sup>

**Regional Exposure By Asset** <sup>2</sup>

**Maturity Exposures** <sup>2</sup>

**Portfolio Statistics** <sup>3</sup>

Current statistics of the Fund are as follows:

Dividend Yield	5.3%
EV <sup>4</sup> / EBITDA <sup>4</sup>	9.4x
Interest Cover	3.1x
Gearing (Net Debt/ EV)	41.5%
Total Portfolio Hedging	96.7%

**Performance History**

**Overview of Fund Holdings**

Top 10 Holdings	Weighting
MAP GROUP	5.9%
TRANSCANADA CORP	4.9%
TCL	4.5%
SOUTHERN CO	3.7%
NATIONAL GRID PLC	3.7%
VINCI SA	3.7%
SES	3.5%
ABERTIS INFRASTRUCTURAS SA	3.5%
AMERICAN WATER WORKS CO INC	3.2%
SPARK INFRASTRUCTURE GROUP	3.2%

<sup>1</sup> Sources: RARE internal calculations for TG RARE Infrastructure Value Fund - G Class. All index data sourced from FactSet. Results over one year annualized.

<sup>2</sup> Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE Infrastructure.

<sup>3</sup> Based on weighted averages.

<sup>4</sup> EV means Enterprise Value (market capitalization + preferred equity, if any + net debt) and EBITDA means earnings before interest, tax, depreciation & amortization.

<sup>5</sup> Fund Performance is net of fees (assumed at 1.025% annual, calculated as 0.08502% per month).

<sup>6</sup> All values on a GBP hedged basis and net of withholding taxes for benchmarks if applicable.

<sup>7</sup> Performance inception date for TG RARE Infrastructure Value Fund - G Class is 30/06/2009.

## Market Commentary for the Month

There was a broad based rally across risk assets in October from the lows of the year at the end of September. Confidence was improving over the month for an extensive European sovereign and banking bailout package, and when finally released it was largely in line with market expectations. The main results of the Euro Summit were (i) a voluntary 50%

Markets (MoM%, local)	
S&P500	10.9%
EuroStoxx	9.5%
Japan	3.3%
Hong Kong	12.9%
Shanghai	4.6%
Brazil	11.5%
MSCI World	8.6%
MSCI EM	8.9%
Oil (USD)	17.5%

haircut for private holders of Greek debt, which would get Greek Debt to GDP to 120% by 2020, (ii) leveraging 4x of the EFSF to 1.4trn USD, (iii) increasing banks core capital positions to 9%, and (iv) accelerating fiscal and structural reform in Spain and Italy in particular.

### Infra Regulation:

\*A German regional administrative court temporarily banned all night flights at the Frankfurt airport until a legal dispute with residents is resolved.

### Infra M&A:

\*Spain's development ministry delayed the privatization of its two largest airports (Madrid & Barcelona) by three months, saying bidders have asked for more time to secure financing. Spain is looking to raise more than EUR5b from the sale.

\*Capstone Infrastructure, a Canadian Infrastructure Fund, acquired a 70% stake in Bristol Water from Suez Environment.

\*Bidding closed for the sale of the Portuguese government's 21% stake in EDP, with 6 bids received.

\*Brazil's National Agency for Land Transport announced it would be auctioning a 476km toll road. Investors are expected to fund USD1.16b in highway upgrades and USD0.917b in maintenance costs.

\*Ferrovia sold a 5.88% stake in BAA, the operator of Heathrow airport, to Alinda Capital Partners for EUR325m, valuing BAA at more than double previous market estimates, around 13.7x EV/EBITDA.

\*BAA announced that it will put Edinburgh airport up for sale to satisfy demands from the UK Competition Commission. Edinburgh has 9.2m passengers (6% growth over the last 12 months) and could fetch up to GBP600m.

### Infra Funding:

\*National Grid (UK, Electric/Gas) issued a 10 yr sterling bonds linked to the retail price index (RPI). Grid raised GBP260m from retail investors, with the bonds paying 1.25% over RPI.

\*EDF (France, Electric) issued GBP1.25b of new 30yr bonds with a 5.50% coupon.

\*Iberdrola (Spain, Multi Utility) issued a EUR600m 5yr bond with 4.75% coupon or 290bp over mid-swap.

\*Associated British Ports refinanced GBP1.85b bank debt, while a further GBP500m of senior debt is to be refinanced through the capital markets. Pricing starts at 175bps over LIBOR for the five- and seven-year facilities.

\*NT Airports (Australia) raised AUD350m in three- and five-year senior bank facilities with all in pricing ~7%.

### Other:

\*European Commission unveiled a plan to invest EUR50b to improve Europe's transport, energy & digital networks. The plan aims to create jobs and boost competitiveness.

## Portfolio Commentary

In October RARE (+3.5%) outperformed its benchmark (+0.4%) and underperformed the MSCI World Gross (+6.9%).

Over the month, the Toll Road (+114bps) and Electric (+59bps) sectors added the most to performance, while Logistics and Rail Sectors were flat. By region, Asia/Pacific Developing (+81bps) and UK/Europe (+70bps) were the biggest contributors to performance, whilst Central/South America was the only detractor (-14bps).

In stock terms, the Tollroads were again the biggest contributors for the month, with Shenzhen International (Asia Pacific Developing, +78bps) and Vinci (Europe, +42bps). ITC (North America, Electricity, -20bps) and Transurban (Asia Pacific, Toll Road, -16bps) were the largest detractors from performance.

In the month, RARE added CMS Energy (North America, Electricity) and our position in ConnectEast Group was tendered into the successful bid by Horizon Roads Group.

We continue to look for companies with fundamental long term value, with strong balance sheets, strong management and supportive regulatory environments or long term contracts that help to underpin revenues, cash flow and dividends.

**Richard Elmslie & Nick Langley**  
*Senior Portfolio Managers*

## Fund Details

Fund Structure	UCITS
Price: Class G, GBP, distributing	12.61
Bloomberg Tickers	RARDUBG ID
Further information	<a href="http://www.RAREinfrastructure.com">www.RAREinfrastructure.com</a> <a href="http://www.TGinvestmentfunds.com">www.TGinvestmentfunds.com</a>

## Mandate Compliance

There have been no breaches in the mandate constraints this month.

### Important Information:

RARE Infrastructure Limited may be contacted by writing to Level 18, 1 York Street, Sydney, NSW, 2000, by tel. on (02) 9397 7300, by fax on (02) 7397 7399 or by email at [operations@rareinfrastructure.com](mailto:operations@rareinfrastructure.com). RARE provides this information as an authorised representative of Treasury Group Investment Services (TIS) AFSL No. 227 326.

TIS is the responsible entity for the RARE funds. TIS can be contacted by writing to Level 5, 50 Margaret Street, Sydney, NSW, 2000, by telephone on (02) 8243 0400 or by fax on (02) 8243 0410.

TIS receives a management fee for the RARE funds out of which it pays an investment management fee to RARE in return for RARE acting as investment manager for the RARE funds. The employees and directors of RARE and TIS are paid a salary. They are not paid any commissions but may be paid a performance bonus based on personal performance or the company's performance. TIS is a wholly owned subsidiary of Treasury Group Limited. Treasury Group Limited is also a shareholder in RARE.