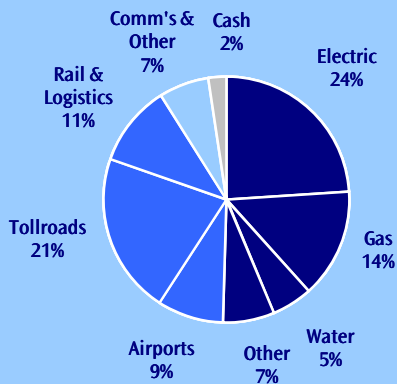


## Performance Summary

	This Month	Three Months	Twelve Months	Re-Inception <sup>6</sup>
TG RARE Infrastructure (EUR, net) <sup>1</sup>	2.7%	3.4%	19.5%	26.3%
Benchmark: G7 Inflation + 5.5%	0.9%	2.3%	7.6%	10.5%
MSCI World (EUR, gross)	1.1%	-2.9%	9.3%	19.5%

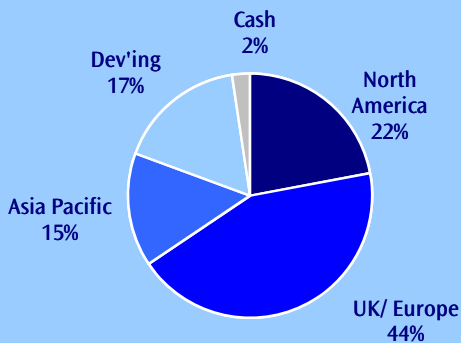
## Overview of Fund Exposures and Portfolio Statistics

### Sector Exposures<sup>2</sup>

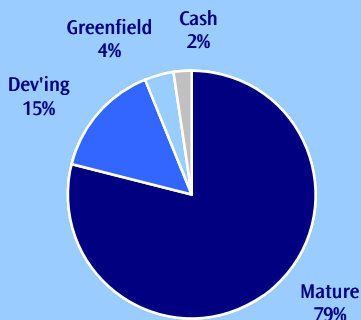


■ Essential Services   ■ Transportation   □ Communications & Other

### Regional Exposures<sup>2</sup>



### Maturity Exposures<sup>2</sup>

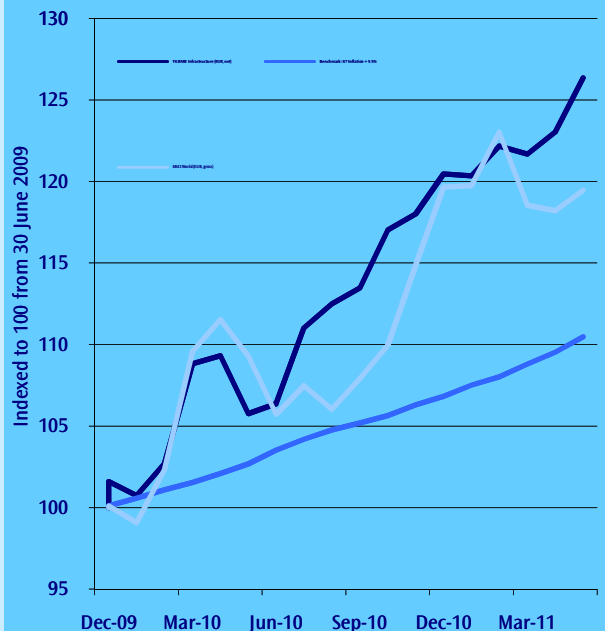


### Portfolio Statistics

Current statistics of the TG RARE Fund are as follows:<sup>3</sup>

Dividend Yield	4.5%
EV <sup>4</sup> / EBITDA <sup>5</sup>	9.2x
Interest Cover	3.7x
Gearing (Net Debt/ EV)	42.3%
Asset Beta	0.50

### Performance



### Fund Details

Fund Structure	UCITS
Price, Class I, EUR, accumulating	10.310

Bloomberg Tickers	RARDUBI ID
Further information	<a href="http://www.RAREinfrastructure.com">www.RAREinfrastructure.com</a> <a href="http://www.TGinvestmentfunds.com">www.TGinvestmentfunds.com</a>

<sup>1</sup> Sources: TG RARE Infrastructure Fund, RBC Dexia Ireland; Benchmark, OECD and RARE calculations; MSCI World, Bloomberg

<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 capitalisation + preferred equity, if any + net debt)

<sup>5</sup> EBITDA means earnings before interest, tax, depreciation & amortisation

<sup>6</sup> Original inception date 17/06/08; Re-inception date 23/12/09.

## Market Commentary for the Month

Equity markets ended down (MSCI World -1.2% and EM -2.0%) in May, which also resulted in significant volatility across different asset classes. Risk aversion can be seen in commodity prices as questions were raised of the sustainability of a US led global recovery. Silver -21% and oil -10.3% were casualties.

Markets (MoM%, local)	
S&P500	-1.1%
EuroStoxx	-2.8%
Japan	-1.6%
Hong Kong	0.7%
Shanghai	-5.7%
Brazil	-2.3%
MSCI World	-1.2%
MSCI EM	-2.0%
Oil (USD)	-10.3%

The breadth of the economic recovery and potential for a second “soft patch” has been over-shadowed by a general unease over the impact of the end of QE2 and a range of extraordinary news items (Bin Laden, DSK & Euro debt crisis, Germany’s nuclear shutdown). Much of this information is not “priced into” equities, which may lead to volatile months ahead. We have started to see a number of speculative positions reduced or closed out as uncertainty takes hold.

### Infra M&A:

\*Indian power company Adani has finalised its purchase of the Abbot Point Coal Terminal in North Queensland from the Queensland government for AUD1.83b.

\*A new 500MW interconnector between the UK and France has been announced, further increasing European power integration. The EUR250m 75km ElecLink project, will be funded by Groupe Eurotunnel (49%) and STAR Capital Partners (51%).

\*Bidders are circling the Schiphol-Amsterdam-Almere road corridor in the Netherlands with a total capex for the programme estimated at EUR4.4b.

\*TransCanada is to sell a 25% share in two of its North American gas transmission business's to TC Pipelines in a deal worth USD605m.

### Infra Funding:

\*BAA (UK, Airports) placed a GBP750m bond, with a May 2041 maturity and a fixed annual interest coupon of 5.875%, 175bps over gilts (three times oversubscribed).

\*Ministry of Finance in India approved nine projects under a PPP model in the transport and social infrastructure sectors, worth USD1.6b, including seven road projects.

\*APRR (France, Toll Roads) raised EUR500m with a maturity of ~8yrs at a fixed rate of 4.875%, (170bps over EU swap rate).

\*Moscow Airport operator DME delayed it’s London IPO due to market conditions, having sought to raise as much as USD1.5b.

\*The Bank of Ireland will take initial bids for its EUR3.3bn project finance loan book, with bids thought to be coming in as low as 70% of the portfolio’s par value

**Other News:** In another damning report into US infrastructure, the Urban Land Institute and Ernst & Young report that many assets are nearing the end of their planned life cycle, meaning USD2t is needed for roads, bridges, water lines, sewage systems and dams.

## Portfolio Commentary

In May RARE (+2.7%) outperformed its benchmark (+0.9%), and the MSCI World (EUR, gross) Index (+1.1%).

Over the month, the Airports (+62bps) and Communications (+20bps) sectors were the strongest contributors to performance. The only detractors were Toll Roads (-6bps) and Logistics (-3bps). By Region, Aisa/Pacific Developed (+71bps) and UK/Europe (+45bps) outperformed, whilst the developing markets underperformed again (continuing the trend for the year), with Asia/Pacific Developing (-37bps) and Central/South America Developing (-1bps).

In stock terms, the major contributors were TransCanada (North America, Gas) +30bps, MAP Group (Asia Pacific, Airports) +22bps and SES Global (Europe, Communications) +20bps. The major detractors were Shenzhen International (Asia Pacific Developing, Toll Road) -23bps, Spectra (North America, Gas) -14bps and GDF Suez (Europe, Gas) -12bps.

We continue to look for companies with fundamental long term value, with strong balance sheets and strong management and supportive regulatory environments or long term contracts.

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

## Overview of Fund Holdings

### Top 10 Holdings

VINCI	6.2%
ABERTIS INFRAESTRUCTURAS SA	5.1%
TRANSCANADA CORP	4.9%
MAP GROUP	4.9%
NATIONAL GRID PLC	4.3%
SES GLOBAL SA /FDR	4.1%
SOUTHERN CO.	3.9%
ITC HOLDINGS CORP	3.8%
RED ELECTRICA CORPORACION SA	3.8%
SHENZHEN INTL HLDS LTD	3.8%

### Important Information:

While the information contained in this document has been prepared with reasonable care, none of RARE Infrastructure Limited, TG Investment Funds Plc or Treasury Group Investment Services Limited, the promoter of the Fund, accepts any liability or responsibility for errors, omissions or misstatements, however caused.

This information is not personal advice and has been prepared without taking account of your objective, financial situation or needs.

Investors should be aware that past performance is not indicative of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. The fact that shares in a particular company have been mentioned should not be interpreted as a recommendation to buy, sell or hold that stock.

Investors, or potential investors, should obtain a copy of, and review, the full prospectus and simplified prospectus prior to making any investment decision.

TG Investment Funds Plc, and TG RARE Infrastructure Fund, as its sub-fund, are authorised and supervised by the Irish Financial Services Regulatory Authority.