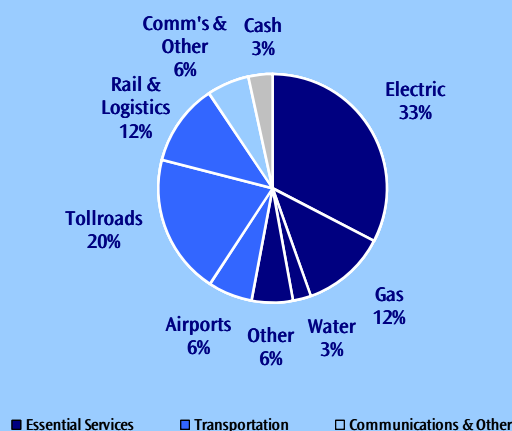


## Performance Summary

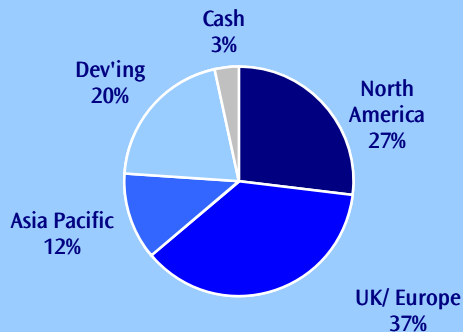
|                                                | This Month | Three Months | Twelve Months | Re-Inception <sup>6</sup> |
|------------------------------------------------|------------|--------------|---------------|---------------------------|
| TG RARE Infrastructure (EUR, net) <sup>1</sup> | 0.9%       | 6.7%         | na            | 13.5%                     |
| Benchmark: G7 Inflation + 5.5%                 | 0.4%       | 1.6%         | na            | 5.2%                      |
| MSCI World (EUR, gross)                        | 1.8%       | 2.1%         | na            | 7.9%                      |

## Overview of Fund Exposures and Portfolio Statistics

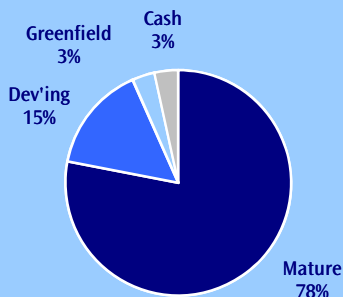
### Sector Exposures<sup>2</sup>



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



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

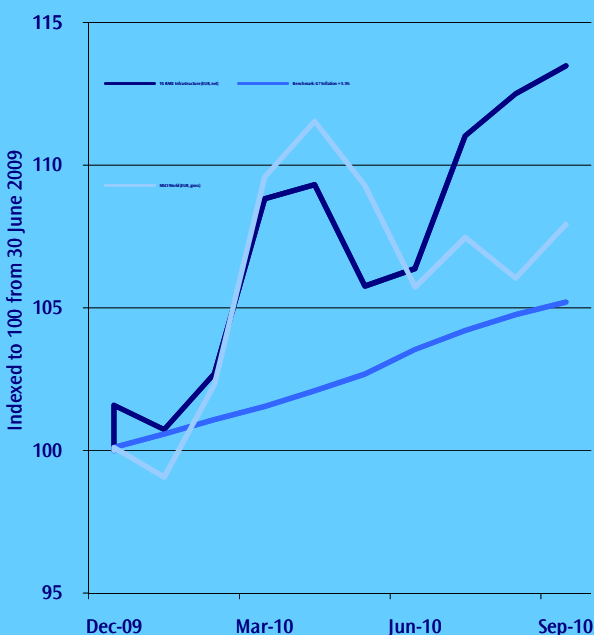


### Portfolio Statistics

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

|                                       |       |
|---------------------------------------|-------|
| Dividend Yield                        | 5.2%  |
| EV <sup>4</sup> / EBITDA <sup>5</sup> | 9.0x  |
| Interest Cover                        | 4.2x  |
| Gearing (Net Debt/ EV)                | 40.5% |
| Asset Beta                            | 0.50  |

### Performance



### Fund Details

|                                   |       |
|-----------------------------------|-------|
| Fund Structure                    | UCITS |
| Price, Class I, EUR, accumulating | 9.260 |

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

Most global markets staged a remarkable rally in September, reflecting relief that a double dip recession was less likely and that central banks and governments are willing to extend accommodative policies to stimulate economies. Global markets advanced 10.2% (MSCI World, local) and emerging markets +14.1% (MSCI EM, local).

| Markets (MoM %, local) | MoM  |
|------------------------|------|
| S&P500                 | 8.9  |
| EuroStoxx              | 4.4  |
| Japan                  | 6.8  |
| Hong Kong              | 9.4  |
| Shanghai               | 0.9  |
| Brazil                 | 6.6  |
| MSCI World             | 10.2 |
| MSCI EM                | 14.1 |
| Oil (USD)              | 16.5 |

Top stories for the month included the closing or sale of Wall St Banks prop trading desks, discussions of the Fed's potential QE2 program, Pimco's USD8.1b bet against the "lost decade" of deflation and stock sales by European banks. Contrary to many in the market, RARE believes that a further round of QE by the Fed (dubbed "QE2") is a bearish signal to equities as it indicates the US economy really is in "dire straits".

### Infra Regulation:

Aneel, Brazilian Electricity regulator, delivered the draft 3rd tariff period renew for Brazilian distribution. Overall it demonstrated a maturing of the regulatory regime but the allowed cost of capital was lower than expected at 7.15%. Final decision is due on December 10.

### Infra M&A:

Edf board approved the sale of its UK Electricity distribution network to CKI for GBP3.2bn in equity

### Infra Funding:

Significant funding activity during September with issues clearly indicating high quality infrastructure companies continue to obtain very attractive terms, including:

\* SSE (UK Electric Utility) issued EUR1.2bn hybrid securities with an all in cost of around 5.6% p.a. This was the first hybrid issue by a non state owned UK utility

\* Fortum (Scandinavian Utility) issued SEK6.2bn 3.125%, 5 year bonds

\* Atlantia (Italian tollroad) issued EUR1bn 3.375%, 7 year bonds and EUR500m 4.375%, 15 year bonds. Yields were 5bps above Italian bond rates

\* ASF (subsidiary of Vinci, French tollroad) issued EUR150m, 10 year bonds at 90bps above mid swaps, or about 30bps spread to French 10 year Govt bonds

\* Edison Int'l (US utility) issued USD400m 3.75% coupon, 7 years bonds, ~165bps over Treasuries.

**Other Infra News.** Brazilian Govt increased the size of subsidized financing offered by the BNDES (Government financing entity) for new infrastructure projects, to BRL214n from BRL124b. Lending conditions are generous with below market rates, 30 year amortisation and up to 80% leverage. The Obama Administration has suggested a similar USD50b "infrastructure bank" arrangement for the US market. The announcement formed part of a broader infrastructure programme to upgrade US roads, railways and runways.

### Important Information:

While the information contained in this document has been prepared with all 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.

## Portfolio Commentary

RARE out performed its benchmark (0.9% vs 0.4%), underperforming against Global Equities (1.8%) in September.

In September, the Tollroad (+141bps) and Electric (+140bps) sectors were strongest contributors to performance, whilst Communications (-10bps), was a detractor. By region, North America (+137bps) & UK/Europe (+103bps) were the biggest contributors.

In stock terms, the major contributors were Shenzhen Int'l (Chinese tollroad and logistics) +70bps, ITC Holdings (US electric) +36bps, Spectra Energy (US pipelines) +35bps; and the major detractors were Eletropaulo (Brazil electric) -13bps, SES Global (EU satellites) -9bps, Brisa (Portugal tollroad) -8bps.

Shenzhen Int'l was the performer of the month on the back of strong 1st half results; 34% increase in revenue and 40% increase in Basic EPS. The company has tollroad, port and logistics interests predominantly in the Pearl River Delta, Yangtze River Delta and Pan-Bohai Rim regions of China.

Expect to see the cash levels in the portfolio tick up over the next month as RARE considers several investment opportunities arising from new IPOs in Australia and Mexico and potential cornerstone stake sell downs in attractive infrastructure names.

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                        | 5.4% |
| NATIONAL GRID PLC            | 5.0% |
| RED ELECTRICA CORPORACION SA | 4.7% |
| ABERTIS INFRAESTRUCTURAS SA  | 4.6% |
| ITC HOLDINGS CORP            | 4.4% |
| SHENZHEN INTL HLDS LTD       | 4.3% |
| NORTHEAST UTILITIES          | 4.0% |
| TRANSCANADA CORP             | 4.0% |
| SES GLOBAL SA /FDR           | 3.8% |
| EDP-ENERGIAS DE PORTUGAL SA  | 3.6% |