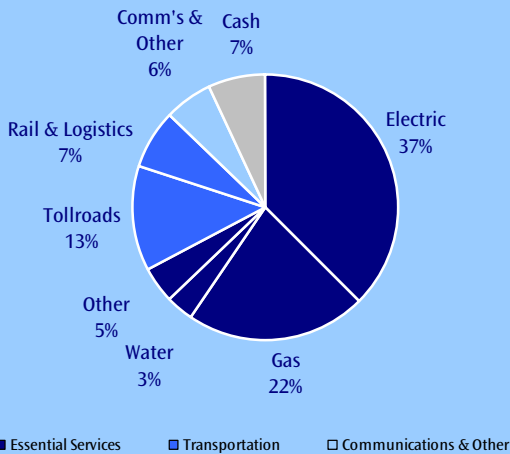


## Performance Summary

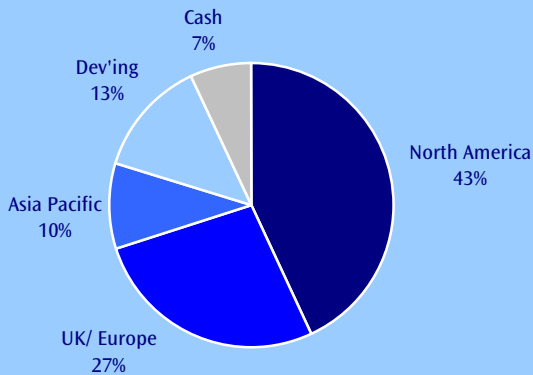
	This Month	Three Months	Twelve Months	Inception
TG RARE Infrastructure (EUR, net) <sup>1</sup>	1.8%	3.8%	na	-19.9%
Benchmark: G7 Inflation + 5.5%	0.9%	1.1%	na	5.0%
MSCI World (EUR, gross)	2.1%	17.0%	na	-25.2%

## Overview of Fund Exposures and Portfolio Statistics

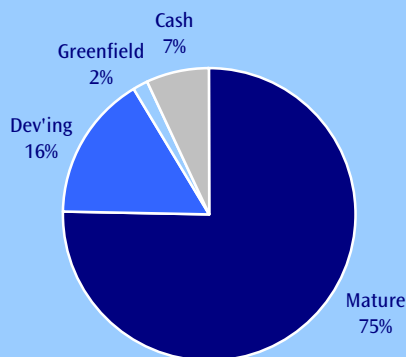
### Sector Exposures<sup>2</sup>



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



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

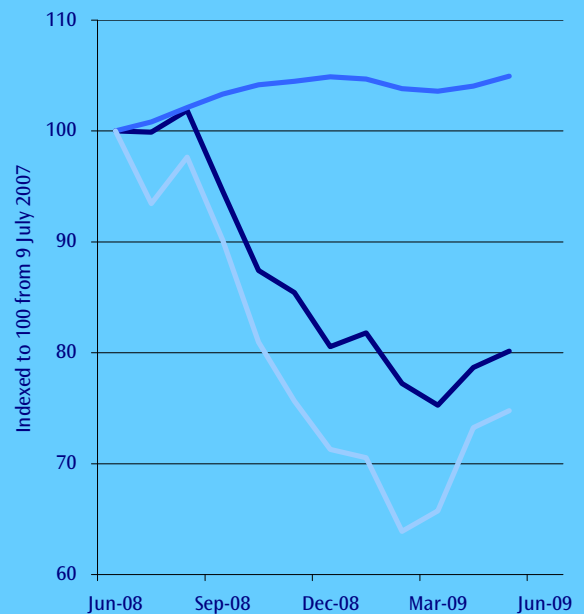


### Portfolio Statistics

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

Dividend Yield	6.3%
EV <sup>4</sup> / EBITDA <sup>5</sup>	8.5x
Interest Cover	3.7x
Gearing (Net Debt/Asset Beta)	44.3%
Asset Beta	0.46

### Performance



— TG RARE Infrastructure (EUR, net)  
— Benchmark: G7 Inflation + 5.5%  
— MSCI World (EUR, gross)

### Fund Details

Fund Structure	UCITS
Price, Class H, EUR, distributing	7.710
Price, Class I, EUR, accumulating	7.710
Bloomberg Tickers	RARDUBH ID, RAREDUBI 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 (inception date 30 June 2008), 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

## Market Commentary for the Month

Markets across the world rose in May. Unlike 2008 where the market seized on any negative news and disregarded positive news (there was not much), in the last 3 months investors are seizing on any positive signs and disregarding negative news.

During the month there was negative news, including:

- Fear of the implications arising from the US bank stress tests, but these fears, for now, proved overdone
- Concerns that the UK could lose its AAA credit rating, with possible knock-on implications for the US
- North Korean testing nuclear missiles causing increased tension in the region
- Continued noise around swine flu. Pigs can fly, apparently....
- Continued trend of mixed economic signals- the trend of rising unemployment and falling GDP continues, with Australia being the exception

However, such issues were shrugged off and global equity markets had another positive month in May, with prospects of 'green shoots' sparking retail investors to inject \$12bn into US equity mutual funds (only the second month of inflow in 12 months). Bulls are pointing to the US Purchasing Managers Index (PMI) which was at an 8-month high. Continued easing of credit and liquidity in the system has also boded well for optimism, with credit spreads continuing to contract to levels of mid 2007 (i.e.) to a similar level at the onset of the credit crisis. Improved optimism on a Chinese led recovery (Chinese PMI beat expectations), led to a rally in resources.

Developed markets (MSCI World, local) rose 6.5% and Emerging Markets (MSCI EM local) rose 12% in May. The S&P 500 was up 5.3% for the month, and hit a key technical barrier breaking through the 200 day moving average for the first time in 18 months. Europe was not as positive, with the best performers being Spain up 4.3% and Germany up 3.6%. In Asia, HK was up a stunning 17%, while in Emerging Asia Vietnam rose 28%. In Latin America, Brazil had another excellent month up 12.5%.

From an infrastructure sector viewpoint there continued to be M&A activity and equity issuance. Snam Rete Gas (gas transmission in Italy) completed a €3.5b capital raising to finance an acquisition, as did SP AusNet which completed a \$415m capital raising.

The market has risen significantly in a short timeframe based on the belief the worst is over.

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

## Portfolio Commentary

RARE outperformed its benchmark in May (1.8% vs 0.9%), but underperformed global equities (2.1%)

On a regional basis we increased our exposure to emerging markets and Asia Pacific. Our European and North American exposures remained flat.

On a sector basis we increased our weighting to rail, post and toll roads and reduced the exposures to the gas and electric utilities.

On a company level we had very good performance and contribution from Singapore Post and Shenzhen International (Asia); Enbridge and TransCanada (Canada) and Spectra (US) and National Grid (UK). SP AusNet was by a significant margin, the worse performing stock, with its share price effected by a capital raising which has created an overhang.

We continue to invest in companies with sound balance sheets and in companies in which we have a high conviction in earnings. During the month we gradually reweighted to infrastructure stocks reducing our exposure to utilities. The portfolio is better balanced to an improving economy, but equally well positioned if economic news deteriorates.

## Overview of Fund Holdings

### Top 10 Holdings

ITC HOLDINGS CORP	5.9%
ENBRIDGE INC.	5.2%
SNAM RETE GAS SPA	5.0%
NATIONAL GRID PLC	4.9%
SPECTRA ENERGY CORP *OPA*	4.6%
ABERTIS INFRAESTRUCTURAS SA	4.6%
TRANSCANADA CORP	4.3%
SES GLOBAL SA /FDR	4.1%
PROGRESS ENERGY INC	3.9%
VINCI	3.9%

## Currency Exposure

Currency	Exposure %
Australian Dollar	6.7%
US Dollar (incl. HKD)	35.1%
Canadian Dollar	10.3%
Euro	26.9%
British Pound	8.6%
Brazilian Real	8.8%
Singapore Dollar	3.7%

### 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.