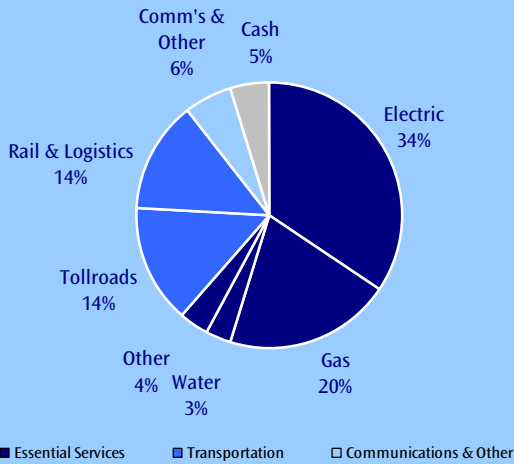
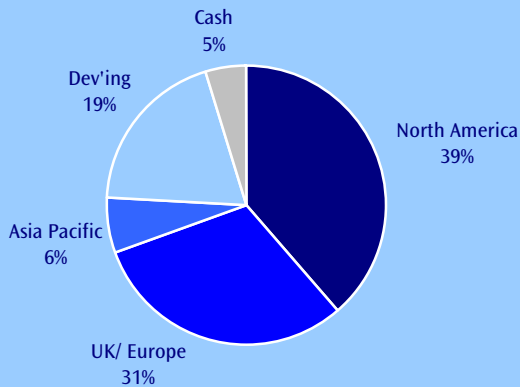
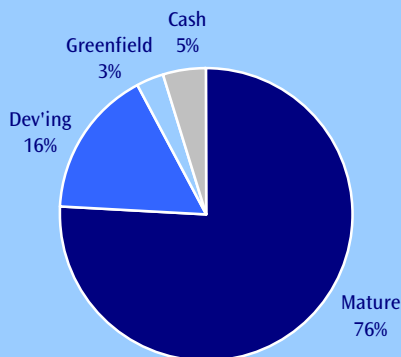


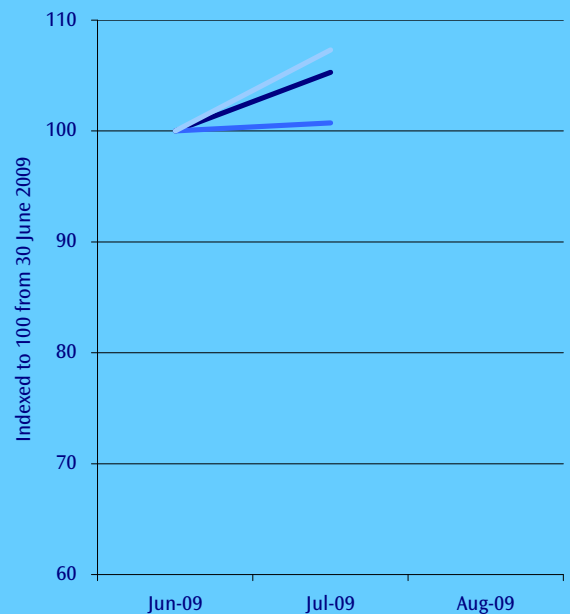
**Performance Summary**

	This Month	Three Months	Twelve Months	Inception
TG RARE Infrastructure (GBP, net) <sup>1</sup>	5.3%	na	na	5.3%
Benchmark: G7 Inflation + 5.5%	0.6%	na	na	0.6%
MSCI World (EUR, gross)	7.3%	na	na	7.3%

**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	5.7%
EV <sup>4</sup> / EBITDA <sup>5</sup>	8.2x
Interest Cover	3.7x
Gearing (Net Debt/Asset Beta)	45.1%
Asset Beta	0.48

**Performance**


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

**Fund Details**

Fund Structure	UCITS
Price: Class G, GBP, distributing	10.520

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>

<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

In the May factsheet we mentioned “pigs can fly”, and in July they visited the RARE offices with our Head of Retail Distribution, Matt Dell, contracting swine flu. Despite swine flu increasing around the world, it did little to dampen global markets. The S&P 500 had its best 5 month streak since 1938. Developed world markets (MSCI World, local) were up 7.7% and Emerging Markets (MSCI EM local) up 9.5% in July.

Out of 376 companies in the S&P 500 that have reported Q2 numbers 287 (76%) have beaten expectations by an average of 10%. This is a combination of earnings expectations getting beaten down, and management slashing costs (employment, replacement capex, travel, advertising, etc.). Generally revenues fell so earnings upside was not supported by consumer spending.

These upside results were mirrored in other parts of the world, and combined with better credit conditions helped support the rising equity markets.

BUT, what is on our minds as we look to the future?

\* Short term we think equity markets may have run ahead of themselves. For markets to continue rising requires consumer confidence to increase, and for this to occur, we believe there needs to be a material turnaround in US unemployment. Consumers will not spend until they feel confident in their employment prospects.

We believe,

\* that the current expansionary fiscal policies will eventually lead to higher inflation, despite the so-called 'output' gaps; and

\* that a major fiscal tightening designed to reign in expansionary government budgets will create subdued economic growth in future years.

The most relevant events that occurred in July, from an infrastructure perspective, were

\* Ferrovial (Spanish Infrastructure / construction company) that owns British airports and tollroads (through their 68% shareholding in Cintra) finally announced details on its merger with Cintra, which was more favourable to Cintra than investors had been expecting. On the day of the announcement, Cintra was up around 20%

\* US House of Representatives passed legislation for a cap and trade CO2 scheme from 2012. RARE believes this is a very positive development and some companies in our investment universe will benefit directly and indirectly from such a scheme.

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

## Portfolio Commentary

RARE outperformed its benchmark in July (5.3% vs 0.6%), but underperformed global equities (7.3%).

On a regional basis we decreased our exposure to North America. Our European, Asian and emerging market exposure remained flat.

On a sector basis, as signs of greater economic stability appeared, we further increased our weighting to rail, ports and toll roads and reduced the exposures to the gas and electric utilities.

On a company level we had good performance and contribution from tollroads - Cintra and Vinci - and Shenzhen International (Asia); and US utilities ITC and Spectra. There were only six stocks that contributed negative performance.

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 continued our gradual reweighting to infrastructure stocks.

## Overview of Fund Holdings

### Top 10 Holdings

ITC HOLDINGS CORP	5.6%
ABERTIS INFRAESTRUCTURAS SA	5.1%
TRANSCANADA CORP	4.9%
NATIONAL GRID PLC	4.8%
VINCI	4.6%
SPECTRA ENERGY CORP *OPA*	4.6%
SNAM RETE GAS SPA	4.2%
SHENZHEN INTL HLDS LTD	4.1%
SES GLOBAL SA /FDR	3.9%
PROGRESS ENERGY INC	3.9%

## Currency Exposure

Currency	Exposure %
Australian Dollar	3.6%
US Dollar (incl. HKD)	36.4%
Canadian Dollar	8.5%
Euro	30.5%
British Pound	8.2%
Brazilian Real	9.9%
Singapore Dollar	3.0%

### 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.