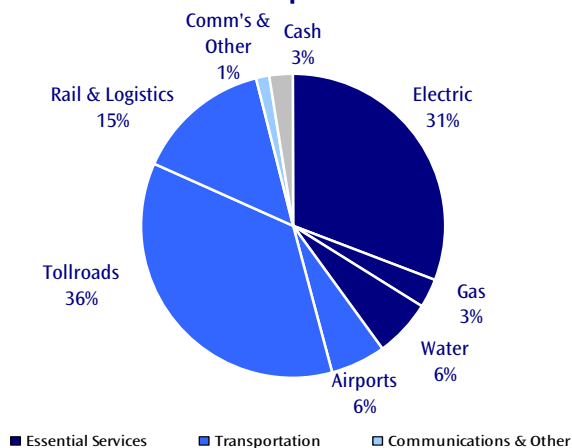
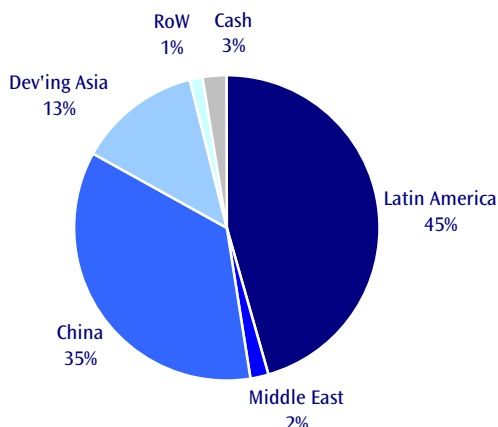
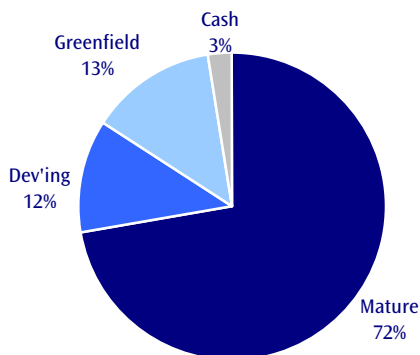


Performance Summary (total returns in AUD after fees)

	This Month	Three Months	Twelve Months	Inception ¹
RARE Series EM Fund	1.7%	3.6%	45.5%	41.6%
Benchmark ²	5.2%	9.4%	21.1%	14.6%
MSCI EM World	-1.6%	0.7%	21.3%	4.4%

Overview of Fund Exposures and Portfolio Statistics
Sector Exposures³

Regional Exposures - by Listing

Maturity Exposures³

Portfolio Statistics

Current statistics of the RARE Infrastructure Value Fund are as follows⁴:

Dividend Yield	4.0%
EV ⁵ / EBITDA ⁶	7.1x
Interest Cover	5.7x
Gearing (Net Debt/ EV)	24.4%
Asset Beta	0.54

Fund Details

Fund Size	\$1.4m
Number of Holdings	29
Minimum Investment	\$20,000 ⁷
Application Price	1.4070
Redemption Price	1.4021
Distribution Frequency	Semi-Annually
Distribution for June 09 (cpu net)	5.6794
APIR Code	TGP0015AU
Morningstar Ticker	tbc
Management Fee	1.333% per annum
Transaction Costs	0.35%
Performance Fee	10.25% of investment returns made in excess of the Benchmark

Benchmark An accumulation index comprised of the Citigroup Global Emerging Market Sovereign Investment Grade USD Index plus 5.0% per annum

¹ Fund inception date 9 July 2008; Performance inception date 30 September 2008

² S&P Emerging Markets Sovereign Bonds Index+ 5%

³ Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE Infrastructure

⁴ Based on weighted averages

⁵ EV means Enterprise Value (market capitalisation + preferred equity, if any + net debt)

⁶ EBITDA means earnings before interest, tax, depreciation & amortisation

⁷ If you invest through an IDPS operator such as a Master Trust or Wrap Account platform, this minimum may not apply to you

Market Commentary for the Month

Stop, start, stop, start, stop... The story for the last 5 months in terms of performance with October again weaker after the September rebound. We expect a continuation of the trend as the recovery (and investors) find their footing. The EMs continue to out-perform their developed peers (MSCI World -2% versus the MSCI EM -0.5% in local currency). However mixed performance from the individual markets suggests more fundamental thought and less momentum investing - Hong Kong +3.8%, Malaysia +3.4% and Brazil 0% out-performed Thailand -4.4%, India -6.3%, Indonesia -4.4% & Mexico -2%. China was again the outlier with a very strong month (Shenzhen +11.0% & Shanghai +7.8%).

Macro-economic news flow across the EMs continued to improve in October

- * Reported CPI levels were contained/slightly up - signs of recovery but no overheating (yet)
- * Industrial production numbers continue to improve
- * Unemployment rates have slowed & in many cases reversed
- * Benchmark interest rates were held flat with signs that tightening isn't too far away
- * GDP growth revisions continue to be on balance up

One of the themes we have been supporting this year is that the EMs have a lot of fuel left in the tank to support their domestic economies should it prove necessary (interest rate cuts, domestic surpluses etc). Further, and very importantly, while the EMs have been happy to utilise their resources they have proven to be wary of overheating their economies. And in October we saw the first signs that policy makers were looking to shift the balance away from support and towards tightening - something we have been looking for over the last few months

- * In China the Central Bank indicated that loose monetary policy was not indefinite warning regulators to control the pace of lending thereby keeping a check on liquidity
- * The HK Monetary Authority in a move to slowdown the rising property prices capped the mortgage limit to 60% and mortgage loan values
- * Policy makers in South Korea & India indicated that tightening measures were not too far away
- * In Brazil a 2% tax on foreign purchases of equities and bonds was imposed by the government, in an attempt to slow further appreciation of its currency

We do not expect a big run ahead of the year end for the EMs, but nor do we expect a significant pull back. Longer term we continue to believe the EMs offer good fundamental value with exposure to real growth.

Important Information:

While the information contained in this report has been prepared with all reasonable care, RARE Infrastructure Limited ("RARE") accepts no responsibility or liability for any errors, omissions or misstatements however caused. This information is not personal advice. This advice has been prepared without taking account of your objectives, financial situation or needs. Treasury Group Investment Services Limited ("TIS") is the responsible entity for the RARE Infrastructure Value Fund (the "Fund"). Applications can only be made on the form in the current product disclosure statement dated 17 January 2007 for this Fund. The product disclosure statement can be obtained by contacting the RARE Infrastructure investment team on (02) 9397 7300, by fax (02) 9397 7399, by emailing invest@RAREInfrastructure.com or at www.RAREInfrastructure.com. Potential investors should consider the product disclosure statement before deciding whether to invest, or continue to invest in the Fund. The fact that shares in a particular company may have been mentioned should not be interpreted as a recommendation to buy, sell or hold that stock. 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. Potential investors should seek independent advice as to the suitability of the Fund to their investment needs. TIS may be contacted by writing to Level 5, 50 Margaret Street, Sydney, NSW, 2000, by telephone (02) 8243 0400 or by fax (02) 8243 0410. TIS receives an investment management fee of 1.333% per annum of the amount invested in the fund (including GST less the maximum applicable reduced input tax credits), which is the entire management fee, out of which responsible entity fees, investment management costs, ongoing administrative expenses and other fees will be paid.

Portfolio Commentary

The RARE Series EM Fund was up 1.7% in October out-performing the MSCI EM by 330bps (-1.6% in AUD terms) but underperforming the benchmark return of 5.2% (resulting from a rally in EM sovereign bonds).

October saw two capital raisings for two core Brazilian portfolio stocks (ALL - railway, CCR - toll road). Importantly, we saw strong demand for both issues and both were in anticipation of growth acquisitions (not to repair existing balance sheets). This supports two of the themes we have been pushing this year - capital is available and existing incumbent infrastructure players can be ultimate beneficiaries of the financial crisis (more projects coming to the market, faster and with less competition).

Portfolio performance in October was very mixed. Strong out-performance by CCR (+13.5%) pre and post their issue. By contrast DPWorld underperformed (-14.8%, providing an opportunity to top up) on what we believe was some profit taking post a very strong September. Slight shifts in the portfolio positioning towards the end of October with increased weighting in Thailand, following our recent trip to the region to meet with management, and a small stake in Eastern Europe via CEZ.

We remain comfortable with the current portfolio and maintain strong overweights in Brazil & China.

Sarah Shaw, Richard Elmslie & Nick Langley
(RARE EM Investment Committee)

Overview of Fund Holdings

Top 10 Holdings	Weighting
SICHUAN EXPRESSWAY CO LTD	5.4%
OBRASCON HUARTE LATIN BRAZIL	5.0%
AES TIETE SA	4.9%
ELETPAULO METROPOLITANA ELTRICII	4.8%
DP WORLD LIMITED	4.8%
COMPANIA ENERGETICA DE MINAS GERAIS	4.8%
ANHUI EXPRESSWAY CO LTD	4.3%
MPX MINERACAO E ENERGIA SA	4.3%
COMPANHIA DE CONCESSOES RODVIARIA	4.3%
SHENZHEN INTERNATIONAL HOLDINGS LTD	4.2%