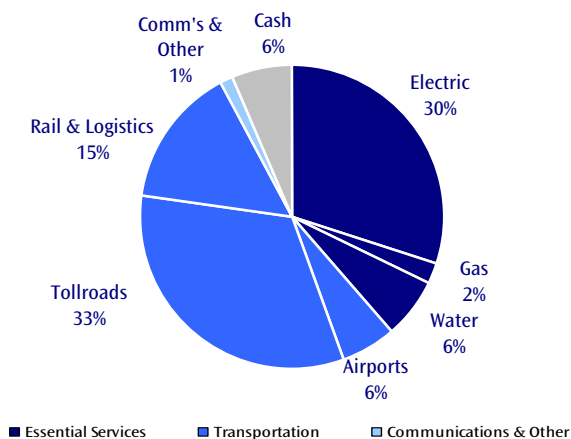
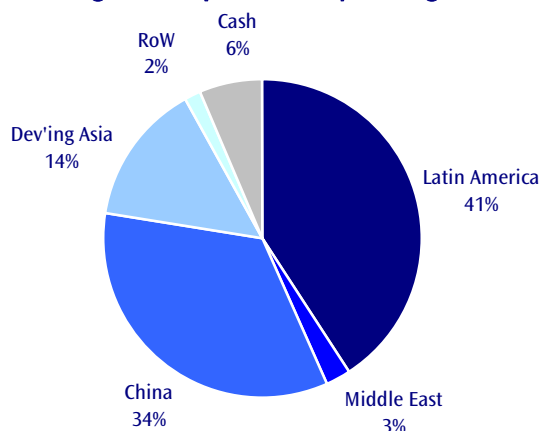
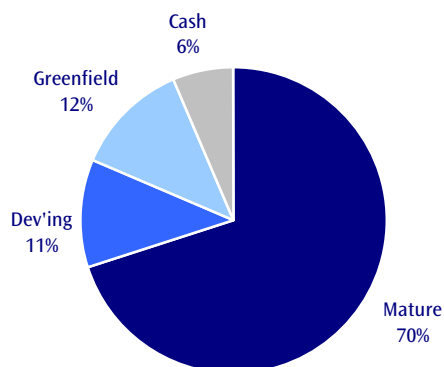


Performance Summary (total returns in AUD after fees)

| | This Month | Three Months | Twelve Months | Inception ¹ |
|------------------------|------------|--------------|---------------|------------------------|
| RARE Series EM Fund | 6.3% | 9.5% | 52.2% | 43.3% |
| Benchmark ² | 2.8% | 8.7% | 39.6% | 15.5% |
| MSCI EM World | 5.6% | 6.8% | 40.1% | 10.8% |

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 | 3.8% |
| EV ⁵ / EBITDA ⁶ | 7.2x |
| Interest Cover | 5.7x |
| Gearing (Net Debt/ EV) | 25.9% |
| Asset Beta | 0.52 |

Fund Details

| | |
|------------------------------------|--|
| Fund Size | \$1.8m |
| Number of Holdings | 33 |
| Minimum Investment | \$20,000 ⁷ |
| Application Price | 1.5140 |
| Redemption Price | 1.5087 |
| 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

A strong end to the year for the markets with December up across the board and the EMs finishing the year on a 2009 trend, out-performing their developed peers (MSCI EM +4.2% versus MSCI World +3.8% in local terms). No one star EM performer in December with all key markets up (Thailand +6.6%, Indonesia +4.9%, India +3.9%, Mexico +3.8%, Shenzhen +1.3% & Shanghai +2.6%, Brazil +2.3%, Malaysia +1.1% & Hong Kong +0.2%).

In line with the market performance the news flow for December was positive

- * The Dubai World situation was resolved with Abu Dhabi coming to the party (as expected) after extracting their pound of flesh
- * EM industrial production and retail sales volume indicators continued to pick up sharply
- * November trade data showed a turn around and exports look buoyed for a strong 2010 recovery

From a fundamental standpoint we believe the EMs

- * Ended 2009 with the worst behind them
- * Weathered the storm better than many people anticipated
- * Have a lot of fuel (fiscal and monetary policy) left in the tank should we see a double dip at any point

Despite the strong out-performance of the EMs over 2009 we think there is still upside to be realised and that 2010 will be an important year for them to cement their position on the global stage. We are positioning ourselves to take advantage of the opportunities 2010 is expected to present by asking ourselves

- * Will the relative losers of 2009 be the winners of 2010 (Mexico buoyed by a US recovery. Is India the next China? Is there a new China bubble on the horizon? Can LatAm keep going?)
- * How well will the EM policy makers manage the tightening process?
- * Will inflation raise its head?
- * How will the government elections play out? (Brazil's presidential election will be key)
- * How will the developed markets react to a strengthening economy - have they learnt their lessons? and if not what does that mean for EMs?

These questions will influence our portfolio allocation but more broadly for the EMs we believe that

- * the themes of 2009 have yet to run their course (consumer demand, low leverage, government stimulus)
- * the EM markets continue to offer strong long term fundamentals at attractive valuations

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 6.3% in December out performing the benchmark return by 350bps (+2.8%) and the MSCI EM by 70bps (+5.6% in AUD terms)

With the resolution of Dubai World's immediate debt concerns, DPW recovered much of what it lost in late November up 17% for the month. Committed to our long term position in the stock we successfully traded around the short term weakness contributing to the December out-performance.

A strengthening USD (linked EM currencies) also boosted AUD returns contributing ~130bps to December performance (140bps for MSCI EM). However, on a FY basis the strong AUD cost EM equities >20% in performance.

The winners and losers for the month were stock specific (not determined by sector or demographic exposure) with relatively strong performance from the majority of our portfolio holdings. A new entry EDC +16% (Philippine utility), CESP +12% (Brazilian utility) & GAP +11.1% (Mexican airport) were the strongest performers (ex DPW). By contrast our weakest stories for the month were BCIA -4.5% (Chinese airport) and Zhejiang Expressway -5% (Chinese expressway).

There was very little in the way of portfolio movement in December. We remain comfortable with the current portfolio and maintain strong overweights in Brazil & China. However, we are reviewing our outlook for 2010 and expect some movement in the coming months.

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

Overview of Fund Holdings

| Top 10 Holdings | Weighting |
|-------------------------------------|-----------|
| DP WORLD LIMITED | 5.6% |
| SICHUAN EXPRESSWAY CO LTD | 5.1% |
| AES TIETE SA | 4.5% |
| ELETROPAULO METROPOLITANA ELTRICII | 4.3% |
| COMPANIA ENERGETICA DE MINAS GERAIS | 4.3% |
| SHENZHEN EXPRESSWAY CO LTD | 4.1% |
| ANHUI EXPRESSWAY CO LTD | 4.1% |
| SHENZHEN INTERNATIONAL HOLDINGS LIM | 3.9% |
| RELIANCE INFRASTRUCTURE LTD | 3.9% |
| COMPANHIA DE CONCESSOES RODVIARIA | 3.8% |