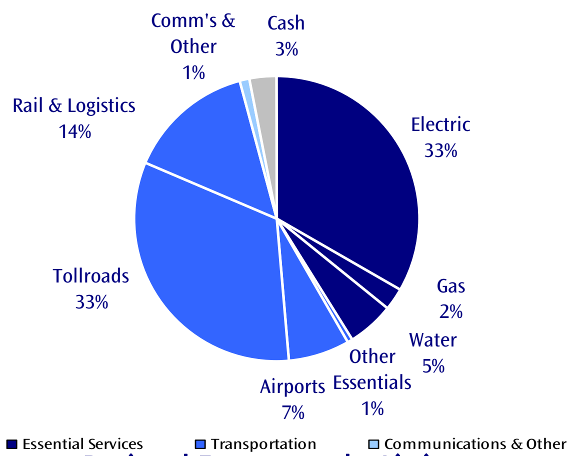
RARE Series Emerging Markets Fund
February 2010

Performance Summary (total returns in AUD after fees)

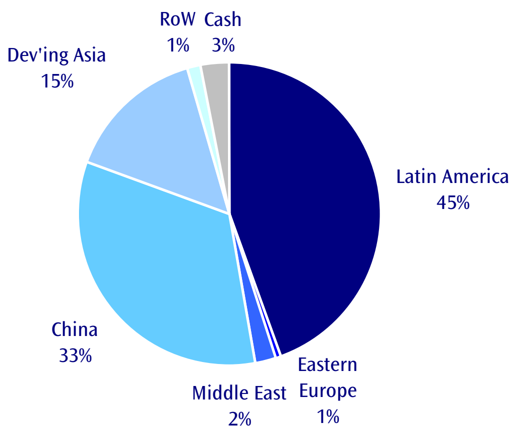
	This Month	Three Months	Twelve Months	Inception[1]
RARE Series EM Fund	0.9%	3.8%	42.6%	35.3%
Benchmark[2]	0.4%	2.4%	25.0%	13.3%
MSCI EM World	-0.2%	0.5%	38.2%	5.8%

Overview of Fund Exposures and Portfolio Statistics

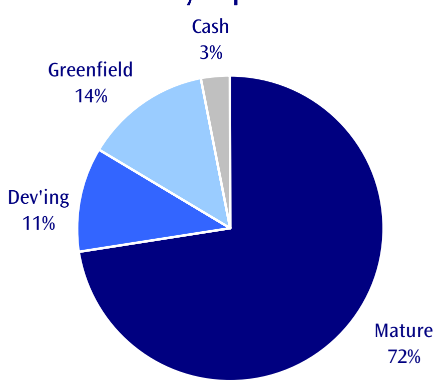
Sector Exposures[3]



Regional Exposures - by Listing



Maturity Exposures[3]



Portfolio Statistics

Current statistics of the RARE Infrastructure Value Fund are as follows[4]:

Dividend Yield	3.9%
EV[5]/ EBITDA[6]	7.1x
Interest Cover	5.7x
Gearing (Net Debt/ EV)	24.3%
Asset Beta	0.54

Fund Details

Fund Size	$1.7m
Number of Holdings	33
Minimum Investment	$20,000[7]
Application Price	1.4638
Redemption Price	1.4536
Distribution Frequency	Semi-Annually
Distribution for Dec 09 (cpu net)	1.5000
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

IMPORTANT NOTICE:
Please note that the RARE Series Value Fund and the RARE Series Emerging Markets Fund will move to a new Product Disclosure Statement (Issue 2), with amended application form and address details, from 31 March 2010. Any applications submitted on or after this date must be completed on the new application form. Please see the RARE website www.rareinfrastructure.com for the most current PDS version.

1 Fund inception date 9 July 2008; Performance inception date 30 September 2008
2 Citigroup Global Emerging Markets Sovereign Investment Grade USD 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

Markets remained volatile in February with the EMs under performing their developed peers further as investors again reject perceived risk (MSCI EM -0.2% vs MSCI World +1.7% in local terms). However, the majority of the EMs we are exposed to recovered some of their January losses by the month end (Shanghai +2.1% & Shenzhen +4.6%, Hong Kong +2.4%, Mexico +4.1%, Thailand +3.6%, India +0.1%, Brazil +1.7% & Malaysia +0.9%) with the exception being Indonesia which lost its January gains ending down 2.4%. For the MSCI EM as a whole, the February weakness was a result of poor performance from CEEMEA, Korea & Taiwan.

The focus for February remained on Greece and its close neighbours (Spain, Portugal, Italy). Concerns mounted re the levels of outstanding sovereign debt, their ability to pay and if needed, who (if any-one) would bail them out. We continue to believe that this issue will be resolved without default, but we do expect markets to remain volatile until there is clarity. The EMs have again suffered more than their developed peers as investors, many still wary after 2008, flee for perceived safety in the developed markets and/or cash. We would use any on-going weakness within the EMs as a buying opportunity as we continue to believe they offer a far more attractive opportunity over the medium term than their developed peers, due to

* Strong government balance sheets - many in surplus (maybe they can bail out the developed world this time)
* Recovering growth profiles (from a more resilient base) driven by domestic demand and an emerging middle class
* Contained inflation (so far) coupled with strong monetary policy which we believe will be quick to react to any spike - we expect fiscal tightening within the EMs this year (and this isnt a bad thing)
* Offerings and debt issues are coming thick and fast with significant demand

Further, the EM infrastructure companies have started reporting their FY results supporting our country view

* Corporate balance sheets remain strong
* Growth opportunities abound
* Results have beat and upgrades are coming through

By contrast to the developed markets we think the biggest concern for the EMs this year is inflation and governments management of the fiscal policy to contain this without derailing the growth story. Given this we continue to advocate that infrastructure is a great way to play the EM theme - accessing the growth while hedging the inflation risk.

Portfolio Commentary

The RARE Series EM Fund was up 0.9% in February out performing the benchmark return by 50bps (+0.4%) and the MSCI EM by 110bps (-0.2% in AUD terms).

The winners and losers for the month were not market driven but news flow dependant. Interestingly, considering how markets moved within the month, our portfolio out-performers for February were what we would consider riskier plays (albiet within an overall defensive sector - infrastructure) - MPX +16.9% (Brazilian growth generation), China Merchants +7.3% (Chinese ports) and ALL +6.9% (Brazilian rail). By contrast the biggest loser for the month by far was DPW -23.5% - this was after 2 strong months of out performance (we reduced at USD0.54) but also no doubt a result of sovereign debt sympathy. We continue to top up to our core 5% holding on weakness. Also weaker this month were CEZ -5.4% (merchant generation risk) and CCR -5.2% (we think this was value driven - we reduced our position in January on valuation)

We are awaiting finalisation of the results season to fully review our holdings, but do expect to take some profits & reduce positions in a couple of stocks in March (valuation)

We continue to review our portfolio in light of the themes we think will be important for 2010 - influence of developed market weakness, inflation and associated monetary responses, elections in Brazil, signs that this is the year for India and to a lesser extent Russia and hints that the biggest losers of 2009 could be the winners of 2010.

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

Overview of Fund Holdings

Top 10 Holdings	Weighting
SICHUAN EXPRESSWAY CO LTD	5.1%
AES TIETE SA	5.0%
ELETROPAULO METROPOLITANA ELTRICII	4.9%
COMPANIA ENERGETICA DE MINAS GERAI	4.9%
DP WORLD LIMITED	4.7%
MPX MINERACAO E ENERGIA SA	4.4%
TRACTABEL ENERGIA SA COM NPV	4.3%
SHENZEN INTERNATIONAL HOLDINGS LII	4.1%
SHENZEN EXPRESSWAY CO LTD	4.0%
ANHUI EXPRESSWAY CO LTD	4.0%