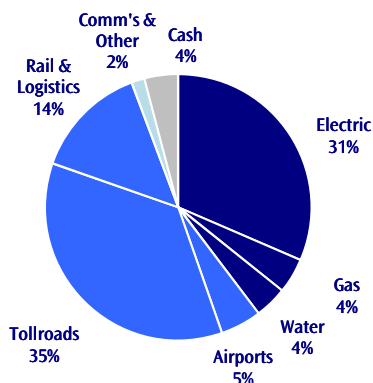
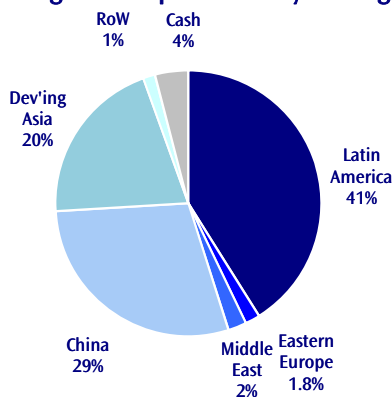
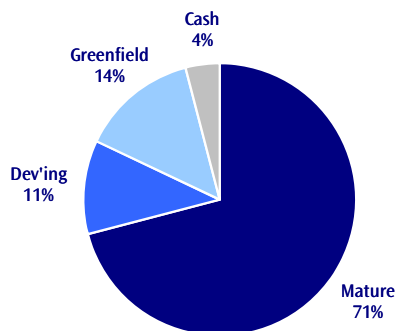


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	Twelve Months	Inception <sup>1</sup>
RARE Series EM Fund	-0.8%	2.2%	17.2%	29.6%
Benchmark <sup>2</sup>	2.9%	9.5%	24.5%	17.1%
MSCI EM World (AUD)	2.4%	3.5%	10.0%	8.2%

**Overview of Fund Exposures and Portfolio Statistics**
**Sector Exposures<sup>3</sup>**

**Regional Exposures - by Listing**

**Maturity Exposures<sup>3</sup>**

**Portfolio Statistics**

Current statistics of the RARE Infrastructure Value Fund are as follows : <sup>4</sup>

Dividend Yield	3.3%
EV <sup>5</sup> / EBITDA <sup>6</sup>	7.2x
Interest Cover	5.4x
Gearing (Net Debt/ EV)	24.3%
Asset Beta	0.54

**Fund Details**

Fund Size	\$1.8m
Number of Holdings	33
Minimum Investment	\$20,000 <sup>7</sup>
Application Price	1.5171
Redemption Price	1.5065
Distribution Frequency	Semi-Annually
Distribution for Jun 10 (cpu net)	8.3329
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

<sup>1</sup> Fund inception date 9 July 2008; Performance inception date 30 September 2008

<sup>2</sup> Citigroup Global Emerging Markets Sovereign Investment Grade USD Index+ 5%

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

<sup>4</sup> Based on weighted averages

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

<sup>6</sup> EBITDA means earnings before interest, tax, depreciation & amortisation

<sup>7</sup> 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

Global markets performed strongly in September. The strong monthly performance has been driven by increased expectations of further policy support, mainly more quantitative easing by the US. These dovish policy actions and rhetoric over the past month also appeared to have triggered some chatter of a globally coordinated action at some point. The effect would be to push real interest rates lower (by pushing inflation higher), a positive for asset prices.

Hong Kong and India were up 8.9% and 9.5% respectively. Thailand (+6.8%) and Indonesia (+13.6%) both performed well. Argentina and Peru were up 16.4% and 11%, respectively. Meanwhile, Mexico, Brazil and Chile were up 10.8%, 10.4% and 10.3%, partly helped by the strong appreciation of their respective currencies during the month.

We continue to see EM's embark upon large Infrastructure investment programs. India will spend over USD1 trillion in improving basic infrastructure over the next 5 years. China will spend 5 times as much. It is interesting to note that even in China bottlenecks still occur due to inadequate urban transportation systems. This problem will become even more acute as China's urban population is expected to grow 24% over the next 10 years. Latin America will spend USD1.5 trillion. While Brazil is one of the world's largest exporters of commodities, it has some of the weakest port and export infrastructure. Russia has embarked upon a wave of renewed privatisations, the proceeds of which will be used to improve the nation's Infrastructure. Much of the road infrastructure outside of major cities has not been updated since the 1980s. We see this trend repeated throughout South East Asia, the Middle East and Emerging Europe. Governments will spend about 6% of annual GDP with private investment accounting for a third. Equity investors are uniquely positioned to take advantage of these trends.

As we noted last month, EM growth is slowing from very robust levels to a more sustainable pace. EM economies have proved their resilience in the face of the deleveraging shock that has engulfed the Western world. The long term implications are improving consumer purchasing power and higher living standards. This year EMs are expected to account for the bulk of global incremental GDP growth.

While we are concerned about developed economies, we remain positive on the outlook for EMs. What is clear is that fiscal prudence, steady growth, low debt and attractive demographics are a powerful floor for asset prices, ie, in a large part of EMs.

### 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 ended September down 0.8%, under-performing the MSCI EM and in line with the S&P EM Infrastructure Index. In local currency terms performance was strong, up over 6%.

EDC (Philippines contracted generation) was the star performer +31%, on expectations of higher power rates and earlier rehabilitation of a 150-megawatt geothermal facility. More generally, EDC is a 'market-leader' in geothermal energy, with expertise across the entire geothermal value chain, a competitive cost structure, and presence in resource-rich markets with attractive pro-renewable government incentives.

CCR gained 12.7%. CCR is the largest toll road company in Brazil. CCR operates seven major highway concessions in the states of Sao Paulo, Rio de Janeiro and Parana, representing approximately 13% of Brazil's privatized toll roads in operation. Other winners were Shenzhen International (Chinese Infrastructure) at +19.6%. The company has a very undervalued asset portfolio focusing on logistics parks and expressway assets. OHL (Brazilian Toll Road Operator) +10.5% and Jasa Marga (Indonesian Toll Road Operator) +10%, also performed well.

By contrast AES Eletropaulo (Brazilian Transmission) underperformed, down 8.5%, with concerns regarding the outcome of the July 2011 tariff reset. The Draft review disappointed the market. MPX (Brazilian contracted generation) fell 4.3% mainly due to profit taking after a stellar performance of late (we also took the opportunity to trim our holding). CEZ (Czech generations) fell 1.2%.

**Charles Hamieh, Richard Elmslie, Nick Langley**  
*(RARE EM Investment Committee)*

## Overview of Fund Holdings

Top 10 Holdings	Weighting
COMPANIA ENERGETICA DE MINAS GERAIS	4.9%
DP WORLD LIMITED	4.8%
JASA MARGA INDONESIA HIGHWAY CORP	4.7%
TRACTABEL ENERGIA SA COM NPV	4.7%
SHENZHEN EXPRESSWAY CO LTD	4.0%
RELIANCE INFRASTRUCTURE LTD	4.0%
GAIL INDIA LIMITED	4.0%
SICHUAN EXPRESSWAY CO LTD	3.9%
SHENZHEN INTERNATIONAL HOLDINGS LIM	3.9%
ANHUI EXPRESSWAY CO LTD	3.9%