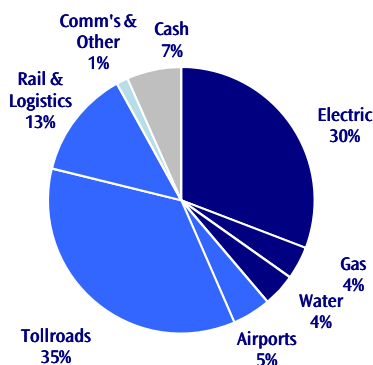
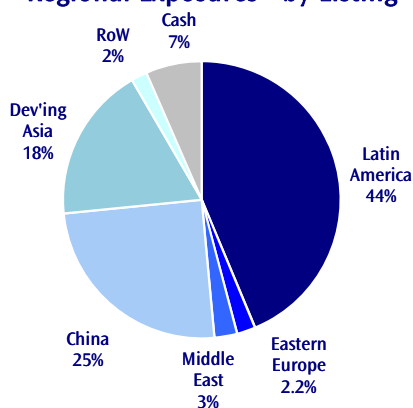
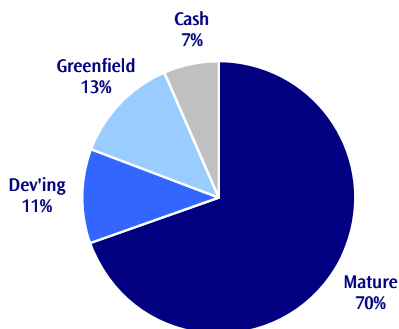


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	One Year	Two Years	Inception <sup>1</sup>
RARE Series EM Fund	-1.0%	-3.7%	11.3%	23.7%	25.2%
Benchmark <sup>2</sup>	-1.0%	-2.0%	15.2%	19.9%	14.4%
MSCI EM World (AUD)	-0.3%	-0.2%	9.0%	18.8%	7.5%

**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	3.1%
EV <sup>5</sup> / EBITDA <sup>6</sup>	7.0x
Interest Cover	5.3x
Gearing (Net Debt/ EV)	24.4%
Asset Beta	0.52

**Fund Details**

Fund Size	\$1.8m
Number of Holdings	33
Minimum Investment	\$20,000 <sup>7</sup>
Application Price	1.5119
Redemption Price	1.5013
Distribution Frequency	Semi-Annually
Distribution for Dec 10	1.5000
APIR Code	TGP0015AU
Morningstar Ticker	tbc
	1.333% per annum
Transaction Costs	0.35%
Performance	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

Developed markets were strong in January with the MSCI World Index up 4.75% in AUD. This compares to a return of -0.3% for the MSCI Emerging Market Index. This level of underperformance marks a break from recent history, and was, in our opinion, attributable to increased inflation and tightening concerns in emerging markets and an improved outlook for the U.S. economy. EMs continue to transit through a period of consolidation. To a great extent, the result of a perception that inflation is accelerating and central banks are somewhat behind the curve. Strong growth and rigid FX regimes appear to be at the centre of some of the current inflation pickup.

In January, Hong Kong was up 1.8% and China down 7.2%. The Philippines (-8%) and Indonesia (-5.8%) were both weak. India fell 10.3%, the worst performing market in Asia. In LATAM Argentina was the best-performing market, declining 1.2%. Colombia and Mexico posted the smallest declines (-2.1% and -2.8%, respectively). Brazil, the country in which inflation concerns are the strongest among the largest LATAM markets, posted a 4.4% decline. We remain very positive on the outlook for EMs. With expanding global liquidity and the diminishing cost of capital, the resulting domestic credit cycle will fuel investment and consumption growth across Emerging Markets. We are still in the early stages of this.

Domestic demand has become the key driver of growth in many EM economies. Strong momentum in the external sector has spilled over firmly into domestic demand. Real Incomes are rising and domestic demand has gathered significant pace. The transition of the growth engine from external to internal is a healthy process. Equally as important is the rapid urbanisation of developing countries. Starting with "a clean slate," big cities in emerging economies can move up the value chain, shifting towards higher value-added services and more knowledge based activities. People are better educated, wages rise, productivity improves. High densities in cities reduce transaction costs, and make public spending on infrastructure and services more economically viable. Indeed a recent World Bank report states that of the 12 big cities forecast to experience meaningful GDP growth through 2025, all but two (London, Hong Kong) are in emerging markets.

In our portfolio we have exposure to the Mumbai-Delhi Industrial Corridor (stretches over 1,500 kilometres and includes a number of important cities such as Indore, Jaipur and Gurgaon), Mexico City (contributed 25% of Mexico's GDP in 2010, despite occupying only 0.4% of its land) and the Commercial hubs of Shanghai and Guangzhou.

### 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 January down (-1.0%) which was in line with the benchmark but underperformed against the MSCI Emerging Market Index. (-0.3%)

From a stock perspective China Merchants was the star performer +10.5%. China Merchants is the largest port operator in China, with operations across Bohai Rim, Yangtze River Delta, Pearl River Delta, and Southwest China accounting for 70% of China container throughput.

Shenzhen International gained 4.5%. The company's core assets are logistics parks and expressway assets in the Shenzhen region of China. The stock represents exceptional long-term value. CESP gained 5%. CESP is the second largest generator in Brazil, with 7,456 MW of installed hydro capacity accounting for 10% of the Brazilian system. CESP is controlled by the state of Sao Paulo with a 40.60% stake, though its privatisation seems imminent.

Jasa Marga (Indonesian Toll Road) fell 13%. Strong demographics, resilient traffic growth, better cost management, and strong positioning as the largest toll road operator are the key success factors for the company. The potential revision to land clearing law in the near future will also be very positive. Reliance Infrastructure (Indian infrastructure conglomerate) fell 16%, underperforming a weak Indian market. Despite near term headwinds, the long term value of Reliance's portfolio of power assets, roads, metro rail and airports is clear.

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

## Overview of Fund Holdings

Top 10 Holdings	Weighting
DP WORLD LIMITED	5.6%
COMPANIA ENERGETICA DE MINAS GERAIS	4.9%
TRACTABEL ENERGIA SA COM NPV	4.7%
SHENZHEN INTERNATIONAL HOLDINGS LIM	4.3%
JASA MARGA INDONESIA HIGHWAY CORP	4.2%
SHENZHEN EXPRESSWAY CO LTD	4.2%
ECORODOVIAS INFRAESTRUTURA	3.9%
GAIL INDIA LIMITED	3.7%
AES TIETE SA	3.5%
OBRASCON HUARTE LATIN BRAZIL	3.4%