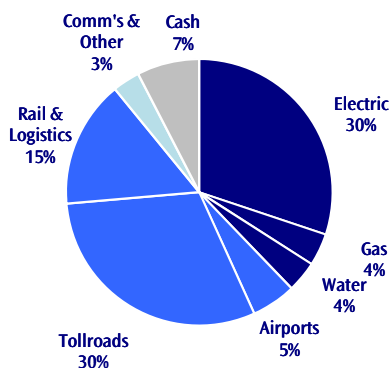
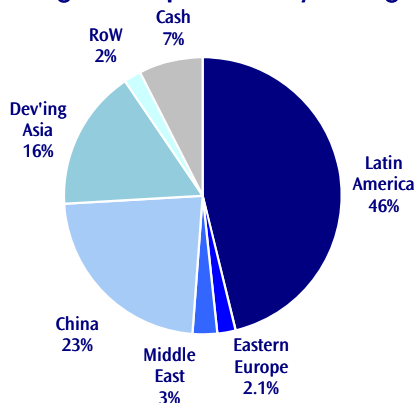
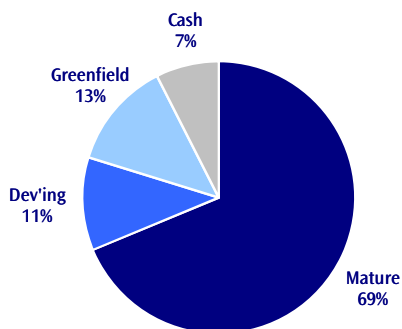


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	One Year	Two Years	Inception <sup>1</sup>
RARE Series EM Fund	-1.6%	0.8%	6.9%	19.9%	23.0%
Benchmark <sup>2</sup>	1.4%	2.7%	13.0%	20.9%	14.1%
MSCI EM World (AUD)	-2.4%	-1.4%	2.2%	12.4%	6.2%

**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	2.9%
EV <sup>5</sup> / EBITDA <sup>6</sup>	6.7x
Interest Cover	6.0x
Gearing (Net Debt/ EV)	23.7%
Asset Beta	0.51

**Fund Details**

Fund Size	\$1.9m
Number of Holdings	37
Minimum Investment	\$20,000 <sup>7</sup>
Application Price	1.5244
Redemption Price	1.5138
Distribution Frequency	Semi-Annually
Distribution for Dec 10	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. The performance fee will not exceed 0.30% of the net asset value of the fund in any year.
Benchmark	An accumulation index comprised of the Citigroup Global Emerging Market Sovereign Investment Grade USD Index plus 5.0% per annum
Fund Status	Open

<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

Emerging Market equities ended the month up slightly with the MSCI EM index posting a 0.8% increase in local currency underperforming the MSCI World (+2.1%). This underperformance was mostly due to increasing inflation and tightening concerns in emerging markets and improved earnings in the US, which have topped analyst expectations.

During the month, Hong Kong (HSI Index) was up 0.8% and China (Shenzhen) was down -4.2%. China was the worst performing market in Asia. Malaysia (KLCI Index) and Indian BSE500 Index were down 0.7% and 0.1% respectively. The Jakarta Composite Index (+3.8%) and the SET Index in Thailand (+4.4%) were both strong. In LATAM Peru and Argentina were the worst performing countries in April, declining by 5.9% and 3.3%, respectively. Chile and Colombia were the best-performing countries, increasing 9.0% and 4.2%, respectively.

Inflation in key EM economies ranges from 5.7% for China to +9% for India. In addition, although many are tightening, most remain behind the curve with negative real rates. In India growth has remained strong, and inflation has accelerated. As a result, RBI has tightened but remains behind the curve with a negative real repo rate. In addition, profit margins have faded, and the currency has declined, posing a further inflation risk. Brazil growth has slowed, while inflation has remained high. But the real Selic rate is positive and the Real has increased significantly, lifting the odds inflation will be contained. In general, the lower the inflation rate, the better the prospects for an EM equity market. A key for the markets will be whether EMs succeed in reaching sustainable growth with moderate inflation.

During the month, the Indian government reiterated its pledge to spend over \$1 trillion over the next five years improving Infrastructure throughout the country. The Road and Power sector are the main benefactors. In India, 25% of perishable goods rot before reaching market due to inefficient transport. So the Political momentum for reforms through most EMs is strong. Infrastructure development has been too slow, restructuring potential growth. Whilst human capital development is a key long - term challenge, weak physical infrastructure is the most significant hurdle to lifting GDP growth. Manufacturing sector competitiveness is dependent on this.

We remain very positive on the outlook for EMs. Domestic demand has become the key driver of growth in many economies. Strong momentum in the external sector has spilled over firmly into domestic demand. Real Incomes are rising, and the growing domestic credit cycle will fuel.

### 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 31st March 2010 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 operations@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 April down 1.6% (in AUD and net of fees), outperforming the MSCI EM index (-2.4%). The strong Australian dollar, which appreciated almost 6%, was a major detractor. Returns in local currency were +4%.

DP World was the star performer, +14.1%. Current trading trends remain strong. Furthermore, the current year should also benefit from higher margins as the positive effects of higher tariffs come through. Looking to the medium-term, in addition to organic growth, DPW has a significant pipeline of new development and expansion projects in place. Total gross capacity could grow from 67mn TEUs in 2010 to 80mn by 2015. Energy Development Corp (a Philippines Geothermal company) rose 12.3%. EDC reported a strong result. The majority of EDC's production is contracted. EDC's contracts include price escalation factors related to domestic inflation, US inflation, and USD:PHP foreign exchange rates, giving the company the ability to fully pass on costs to the off-taker.

Jasa Marga (Indonesian Toll Road) fell 3%. Jasa is one of our largest and highest conviction holdings. Strong demographics, resilient traffic growth and better cost management are the key success factors for the company. The potential revision to land clearing law in the near future will also be very positive. LLX the Brazilian port developer of the EBX group controlled by Mr. Eike Batista fell 9.5%. LLX is building the Açú Port, a greenfield industrial complex and sea terminal in the Northern region of Rio de Janeiro State. The Açú Port is scheduled to start up operations in 2013, handling several products such as iron ore, oil, coal, steel and others for third-party clients

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

## Overview of Fund Holdings

Top 10 Holdings	Weighting
DP WORLD LIMITED	6.1%
TRACTABEL ENERGIA SA COM NPV	4.6%
JASA MARGA INDONESIA HIGHWAY CORP	4.3%
LIGHT SA COM NPV	4.0%
COMPANIA ENERGETICA DE MINAS GERAIS	4.0%
ECORODOVIAS INFRAESTRUTURA	4.0%
SHENZEN INTERNATIONAL HOLDINGS LIM	3.9%
SHENZEN EXPRESSWAY CO LTD	3.7%
ENERGY DEVELOPMENT CORP	3.7%
GAIL INDIA LIMITED	3.7%