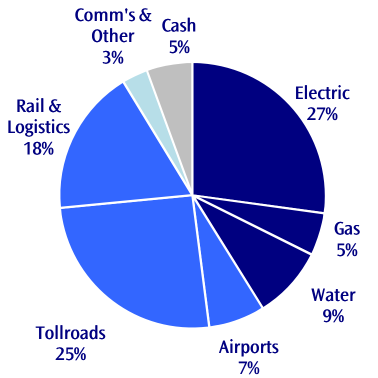
Performance Summary (total returns in AUD after fees)

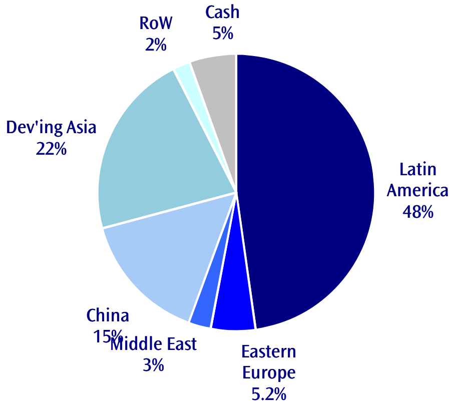
	This Month	Three Months	One Year	Two Years	Inception[1]
RARE Series EM Infrastructure Fund	-3.2%	-6.8%	-5.1%	6.4%	17.7%
Benchmark[2]	1.9%	6.0%	13.3%	18.2%	15.2%
MSCI EM World (AUD)	-6.6%	-11.2%	-9.4%	0.6%	1.2%

Overview of Fund Exposures and Portfolio Statistics

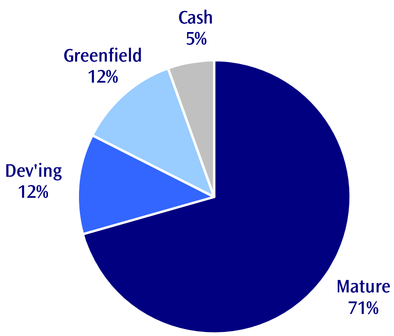
Sector Exposures[3]



Regional Exposures - by Listing



Maturity Exposures[3]



Portfolio Statistics

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

Dividend Yield	3.0%
EV[5]/ EBITDA[6]	6.3x
Interest Cover	5.3x
Gearing (Net Debt/ EV)	22.4%
Asset Beta	0.51

Fund Details

Fund Size	$74.6m
Number of Holdings	34
Minimum Investment	$20,000[7]
Application Price	1.4469
Redemption Price	1.4276
Distribution Frequency	Semi-Annually
Distribution for June 11	N/A
APIR Code	TGP0015AU
Morningstar Ticker	16750
Management Fee	1.333% per annum
Buy / Sell spread	1.05% / 0.30%
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

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

MSCI EM index posted a 13% decrease in local currency underperforming the MSCI World (-7%).
It was a very volatile month. As of August 10, MSCI EM had declined 19% for the month due to a widespread equity sell-off caused by fears of a double-dip recession in the developed world and slower overall global growth. Since that low point, however, the MSCI EM rallied in the last few trading sessions of August. The VIX peaked at 43.05, ending the month up 25.2%.

The impact of global deceleration on EM growth will be more moderate because exports continue to shrink as a share of GDP in most EM nations. The key will be to balance growth headwinds against elevated inflation. EM governments have scope to adopt more expansionist policies. Central banks across EMs have already shifted away from tightening mode (apart from China where we are still of the view grwoth remains on track for a soft landing, while elevated inflation levels are expected to fall gradually) and are now in a state of alert, looking for signs that could trigger a new easing cycle. In Brazil, for example, the central bank surprisingly slashed rates 50bp. The move could be seen as pre-emptive or too risky, but the jury is still out. The next moves will be data dependent. On a positive note, inflation in EMs has been more persistent than we had expected. Diminished global growth implies a commodity scenario that is more benign for inflation.

During the month, Hong Kong (HSI Index) was down 8.3% and China (Shanghai) was down 3.5%. The Indian BS500 Index was off 8.4%. The Jakarta Composite Index and the SET Index in Thailand were off 7% and 5.6%, respectively. Malaysia (KLCI Index) was down 6.6%. In LATAM, Peru and Colombia were the best-performing markets, increasing 5.9% and 0.2%, respectively. Argentina and Brazil were the worst-performing markets, decreasing 10.8% and 4%, respectively.

As we continue to note, we maintain a positive view on emerging markets as a whole and LatAm equity markets in particular. However, given the current global economic uncertainties, the priority of investors may be to protect capital in the short term. This will see some short term volatility.
In the long term EM's rising share of global GDP is structural and related to the growth of working age population and formation of an urban middle class. EM equities ROE has also undergone structural improvement driven by gains in operating margins and operating asset turnover rather than leverage. EM sovereign risk has declined raising valuations and reducing equity market volatility.

Infrastructure as a sector is poised to be the greatest beneficiary of all the long term trends.

Portfolio Commentary

The RARE Series EM Infrastructure Fund ended August down 3.2% (in AUD and net of fees), outperforming the MSCI EM AUD index (-6.6%).

Despite the high degree of risk aversion in the markets during the month, there were some bright spots. Guangdong Investments (Chinese Water Company) rose 12%. Guangdong Investments is one of our largest and highest conviction holdings in China. It reported a result well above expectations driven by strong revenue growth. It is one of the most defensive Asian utilities with 70% of earnings from water business. Ecorodivias (Brazilian Toll Road) rose 6%. Resilient traffic growth and better cost management are the key success factors for the company. Global Ports (Russian Port Operator) also proved resilient, rising 7%. Global Ports offers exposure to the structural improvement in consumer spending power in Russia, which should lead to above-average growth in the import and export of containers. It has terminals in all strategic entry points in Russia and has sufficient capacity to fulfil that growth.

We continued to see some weakness in selected Infrastructure names .The Chinese Toll Roads were detractors of performance. Concerns of slowing GDP on commercial traffic volumes overshadowed what were very strong results from the funds key holdings. ALL (Brazilian Rail) fell 20%. Whilst the result showed some improvement in margins, the outlook remains uncertain. Further work by the analyst around the impact of opening up the rail network and a reduction in the price cap prompted the fund to divest its position in ALL during the month.

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

Overview of Fund Holdings

Top 10 Holdings	Weighting
JASA MARGA INDONESIA HIGHWAY CORP	6.1%
DP WORLD LIMITED	5.5%
GRUPO AEROPORTUARIO DEL SURESTE SA SI	4.8%
TRACTABEL ENERGIA SA COM NPV	4.1%
AGUAS ANDINAS S.A. COM NPV SER	4.1%
ECORODOVIAS INFRAESTRUTURA	4.0%
LIGHT SA COM NPV	4.0%
ENERGY DEVELOPMENT CORP	3.8%
GAIL INDIA LIMITED	3.8%
GLOW ENERGY	3.6%