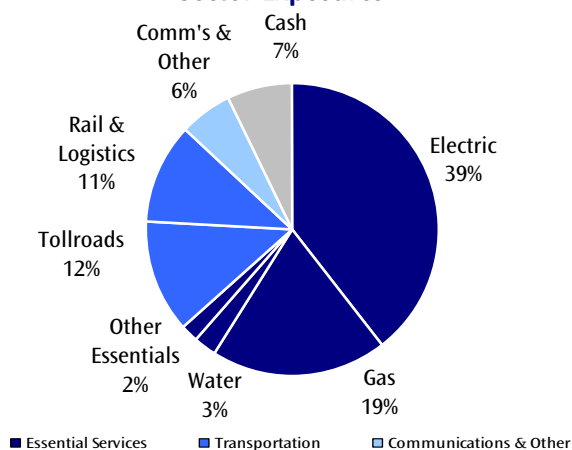
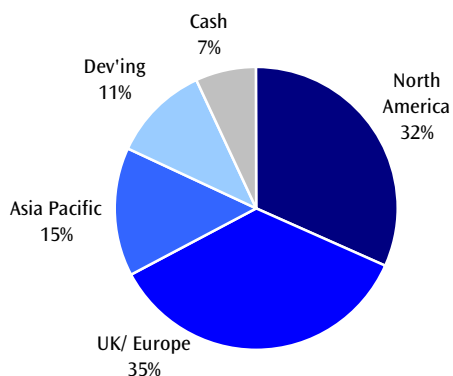
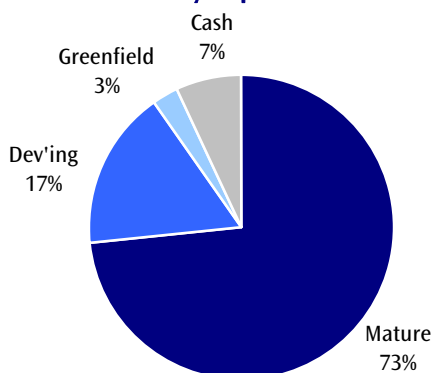


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	Twelve Months	Inception <sup>1</sup>
RARE Series Value Fund	3.2%	8.9%	na	10.5%
Benchmark <sup>2</sup>	0.7%	2.0%	na	3.6%
MSCI World (Local Currency)	3.3%	11.1%	na	-5.0%

**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	5.6%
EV <sup>5</sup> / EBITDA <sup>6</sup>	8.7x
Interest Cover	4.6x
Gearing (Net Debt/ EV)	42.4%
Asset Beta	0.47

**Fund Details**

Fund Size	<\$1m
Number of Holdings	36
Minimum Investment	\$20,000 <sup>7</sup>
Application Price	1.0062
Redemption Price	1.0012
Distribution Frequency	Quarterly
Distribution for June 09 (cpu net)	10.2783
APIR Code	TGP0016AU
Morningstar Ticker	tbc
Management Fee	1.23% per annum
Transaction Costs	0.25%
Performance Fee	10.25% of investment returns made in excess of the Benchmark
Benchmark	An accumulation index comprising the OECD G7 Inflation Index plus 5.5% per annum

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

<sup>2</sup> OECD G7 Inflation Index plus 5.5% pa

<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

August was the first month since March 2009 that developed markets (MSCI World, local up 3.3%) outperformed emerging markets (MSCI EM, local flat at 0.1%), with Shanghai down a whopping 21.8%. The primary global focus during the month was concerns over whether Chinese stock markets had run ahead of fundamentals. Up days were driven by continuing good economic news.

In this month's review, we thought we'd share our view on the macro outlook, which generally is positive. In the short term, our thesis is -

- Inventories are run down, given significant reduction in production in 2008/2009. Inventory restocking will occur in 2009/2010, and may well cause growth to surprise on the upside.
- Corporate cash flows continue to strengthen, meaning less layoffs, leading to increased consumer confidence. A very important signpost, and we have mentioned this in previous factsheets, is decreasing layoffs in the US.
- However, medium term recovery is likely to be sub par as the long and slow process of deleveraging occurs in the developed markets.
- Emerging markets may not grow as fast as in recent years, but will have growth significantly higher than the developed markets as these economies were not over-leveraged going into recession.

Longer term, we are concerned there may be higher inflation driven by expansionary monetary policies, and government deficits (ie. significant increased government borrowings) that have been incurred as a consequence of the recession.

With this outlook, we continue to expect GDP sensitive infrastructure stocks (those impacted by inventory restocking and the restart of global trade ports, railways, toll roads) to perform well in this environment. If our views on inflation prove correct in the later part of 2010 and onwards, then certain utilities that exhibit inflation ratchet mechanisms in their revenues, and in some cases their asset bases will be very well protected.

We think the unconventional global Government interventions will lead to unexpected outcomes. As such the economic environment (and markets) may well be more volatile than investors have seen in recent years.

**Richard Elmslie & Nick Langley,**  
**Senior Portfolio Managers**

## Portfolio Commentary

RARE outperformed its benchmark in August (3.2% vs 0.7%), but was flat against global equities (3.3%).

On a regional basis, we marginally reduced North American holdings and added to the Asia Pac developing holdings.

On a sector basis in Europe, we reduced toll road exposure and increased Gas exposure. We also switched between companies in the North American utilities space.

On a company level, strong performers were in developing ports (DP World), whilst utilities both sides of the Atlantic performed strongly (TransCanada in North America, and GDF Suez & National Grid in Europe).

We continue to invest in companies with high conviction earnings and sound balance sheets. Whilst we have been still marginally added to infrastructure, we have sold out of stocks that we view as having reached full value, and reinvested in companies exhibiting better value.

## Overview of Fund Holdings

Top 10 Holdings	Weighting
ITC HOLDINGS CORPORATION	6.5%
SES	5.2%
TRANSCANADA CORPORATION	4.9%
NATIONAL GRID PLC	4.8%
ABERTIS INFRASTRUCTURAS SA	4.8%
NORTHEAST UTILITIES	4.5%
VINCI SA	4.3%
SPECTRA ENERGY CORP	4.2%
SHENZHEN INTERNATIONAL HOLDINGS LIM	4.2%
SNAM RETE GAS	3.9%

## Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
US Dollar (incl. HKI)	0.11	100%
Canadian Dollar	0.02	83%
Euro	0.09	98%
British Pound	0.02	102%
Brazilian Real	0.03	87%
Singapore Dollar	0.01	82%

### 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 1.23% 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.