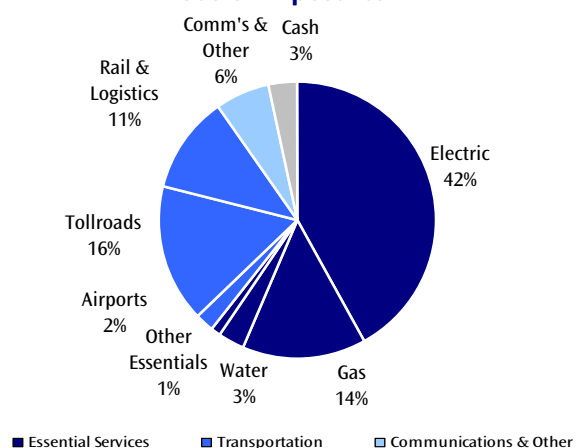
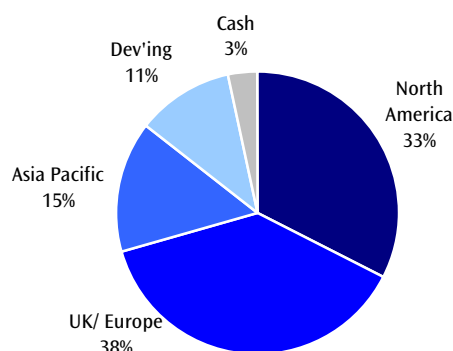
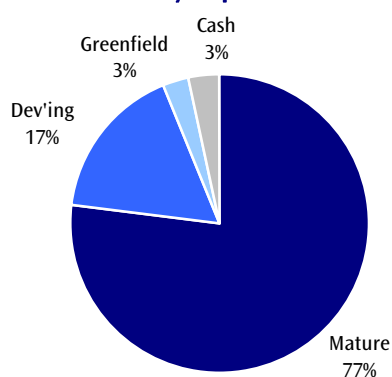


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	Twelve Months	Inception <sup>1</sup>
RARE Series Value Fund	-1.1%	3.8%	10.5%	10.2%
Benchmark <sup>2</sup>	0.3%	1.9%	4.0%	4.5%
MSCI World (Local Currency)	-2.0%	4.8%	15.9%	-3.4%

**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	5.3%
EV <sup>5</sup> / EBITDA <sup>6</sup>	8.6x
Interest Cover	4.8x
Gearing (Net Debt/ EV)	43.1%
Asset Beta	0.50

**Fund Details**

Fund Size	<\$1m
Number of Holdings	41
Minimum Investment	\$20,000 <sup>7</sup>
Application Price	0.9969
Redemption Price	0.9944
Distribution Frequency	Quarterly
Distribution for Sep 09 (cpu net)	1.0000
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

October proved to be reasonably volatile in global equity markets with markets focused on the sustainability of the economic outlook and strength of the 3rd quarter earnings. Until mid October the World markets (MSCI World, local) had enjoyed a rally providing total returns of 26%. World markets fell 2% in October, with Emerging Markets down 0.5%.

Markets were reasonably happy with the reporting season, with 74% of the S&P500 companies (323 companies) reporting by month end. Excluding financials, earnings were circa 7% higher than consensus; however revenues were 1% below expectations implying cost reductions are still driving earnings. Investors will want to see the US consumer return to support the present market and see it advance further.

On the economic front results were mixed which added to the volatility and divergence of views on the strength and sustainability of the recovery. There continued to be evidence of unprecedented synchronized global uprising with unemployment claims falling in the US, and outside the US employment is increasing in nine economies. Other news was more subdued, with US retail sales down (to be expected with “cash for clunkers” finishing) and falls in some consumer confidence surveys creating fears about the spending recovery. Corporate sector industrial production was strong and supports RARE’s view that the inventory restocking is in full swing which should help support employment levels. Again our views on sustainability of the recovery hinge on US unemployment peaking and improving in the short term.

Overall we remain in the school that the economic uprising is on track, it may not be V or U shaped; and it may be below trend but it is moving up. The one factor that could be a worry, and a factor driving up markets, is the massive carry trade and continued liquidity arising from quantitative easing. By this we mean, investors secure in the knowledge the US will not raise rates in the foreseeable future, borrow in the US and invest offshore in risk or high yield/leveraged assets. This situation provides investors with massive gains, borrowing at negligible interest rates and obtaining significant currency gains as the US dollar falls. This can not continue for ever as the US will raise rates; but in the mean time the carry trade is on. This situation may remain for a while, but the longer it lasts the worse the potential problem is on a global basis.

### 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.

## Portfolio Commentary

RARE underperformed its benchmark in October (-1.1% vs 0.3%) but outperformed global equities (-2.0%).

On a regional basis, we added slightly to Asia Pacific developing; there was little movement during the month in other regions.

We reduced our European gas utility exposure and increased our exposure in rail and airports.

On a stock specific level, we had under performance in European tollroads (Abertis and Vinci) and ports (DP World) with good performance from Shenzhen International, an Asian tollroad/ logistics company.

It is pleasing to note that companies in the portfolio met or exceeded third quarter earnings expectations.

We continue to invest in companies where we have a high conviction in earnings and companies with sound balance sheets.

*Richard Elmslie & Nick Langley,  
Senior Portfolio Managers*

## Overview of Fund Holdings

Top 10 Holdings	Weighting
ITC HOLDINGS CORPORATION	6.0%
NATIONAL GRID PLC	5.2%
ABERTIS INFRAESTRUCTURAS SA	4.9%
NORTHEAST UTILITIES	4.6%
SHENZHEN INTERNATIONAL HOLDINGS LII	4.6%
SES	4.5%
VINCI SA	4.4%
RED ELECTRICA CORPORATION SA	4.2%
TRANSCANADA CORPORATION	4.2%
SPECTRA ENERGY CORP	3.6%

## Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
US Dollar (incl. HKI)	0.17	110%
Canadian Dollar	0.03	113%
Euro	0.14	98%
British Pound	0.04	99%
Brazilian Real	0.04	107%
Singapore Dollar	0.01	107%