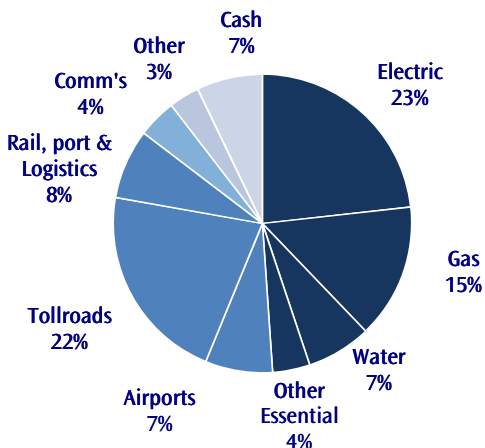
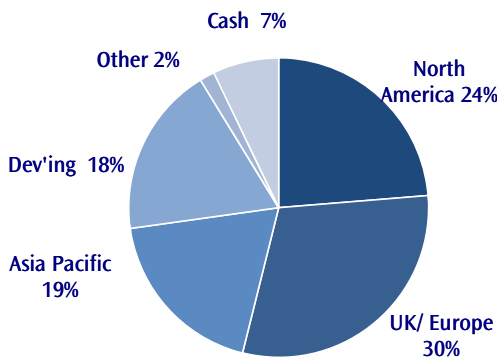
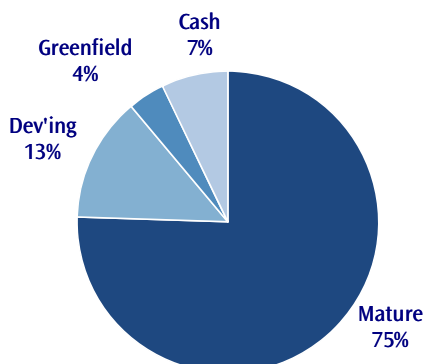


Performance Summary (total return in AUD after fees)^{1, 5, 6}

| | This Month | 3 months | 1 Year | 2 Years | Inception ⁷ |
|--|------------|----------|--------|---------|------------------------|
| RARE Series Infrastructure Value Fund-Hedged | -3.0% | -4.9% | 12.6% | 12.9% | 12.4% |
| BENCH:OECD G7 Inflation Index + 5.5% | 0.8% | 3.0% | 8.6% | 7.9% | 6.6% |
| UBS Infra & Utilities 50-50 hedged (Net) | -3.4% | -5.3% | 4.9% | 8.5% | 2.0% |
| MSCI World Net (Local) | -6.8% | -10.6% | 7.3% | 5.5% | 1.7% |

Overview of Fund Exposures and Portfolio Statistics
Sector Exposures²

Regional Exposure By Asset²

Maturity Exposures²

Portfolio Statistics³

Current statistics of the Fund are as follows:

| | |
|---------------------------------------|-------|
| Dividend Yield | 5.4% |
| EV ⁴ / EBITDA ⁴ | 9.3x |
| Interest Cover | 4.9x |
| Gearing (Net Debt/ EV) | 40.8% |
| Total Portfolio Hedging | 93.8% |

Fund Details

| | |
|---------------------------------|-----------------|
| Fund Size | \$2.8m |
| Number of holdings | 42 |
| Minimum Investment ⁸ | \$20,000 |
| Application Price | 1.095 |
| Redemption Price | 1.0874 |
| Distribution Frequency | Quarterly |
| Distribution for Jun 11 (cpu) | 4.3480 |
| APIR Code | TGP0016AU |
| Morningstar Ticker | 16749 |
| Management Fee | 1.23% per annum |
| Buy / Sell spread | 0.45% / 0.25% |

Performance Fee

10.25% of investment returns made in excess of the Benchmark. The total performance fee will not exceed 0.30% of the net average daily asset value of the fund in any financial year.

Benchmark

An accumulation index comprising the OECD G7 inflation Index plus 5.5% per annum.

Fund Status

Open

¹ Sources: RARE internal calculations for RARE Series Infrastructure Value Fund - Hedged. All index data sourced from FactSet. Results over one year annualized.

² Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE Infrastructure.

³ Based on weighted averages.

⁴ EV means Enterprise Value (market capitalization + preferred equity, if any + net debt) and EBITDA means earnings before interest, tax, depreciation & amortization.

⁵ Fund Performance is net of fees (assumed at 1.23% annual, calculated as 0.10193% per month).

⁶ All values on a AUD hedged basis and net of withholding taxes for benchmarks if applicable.

⁷ Performance inception date for RARE Series Infrastructure Value Fund - Hedged is 30/09/2008.

⁸ If you invest through an IDPS operator such as Master Trust or Wrap Account platform, this minimum may not apply to you.

Market Commentary for the Month

August was a very volatile month, with significant asset rotation and risk taken off the table. The month started with a positive, when the US passed the Debt Ceiling Bill one day before a US default, agreeing to raise the US debt limit by US\$2.1trn and cut federal spending by \$2.4trn. However, only 4 days later S&P downgraded US AAA

| Markets (MoM%, local) | |
|--------------------------|--------|
| S&P500 | -5.4% |
| EuroStoxx | -13.7% |
| Japan | -8.9% |
| Hong Kong | -8.2% |
| Shanghai | -4.9% |
| Brazil | -4.0% |
| MSCI World | -6.8% |
| MSCI EM | -7.6% |
| Oil (USD) | -7.6% |

credit rating for the first time on concern spending cuts won't be enough to reduce the rising burden of long term federal debt. This sparked a reassessment of investors view of global growth, with European sovereign concerns also mounting. Spanish & Italian bond yields spiked to 6% before the ECB started buying secondary bonds on market and by mid-August European equities were down as much as 19%. Gold also reached new highs, and US Treasury yields hit record lows. RARE does see a rising risk of a global slowdown, but not a deep recession.

Infra Regulation:

*The Italian government proposed a higher tax on utilities as part of its broader austerity package. The government proposed a new supplementary tax of 10.5% for Italian power and gas networks (excluding gas storage) and a 4.0% increase in the existing supplementary tax for some generators (currently paying 6.5%). The proposed tax hikes are for a three year period only (2011-2013). The government's austerity measures are expected to be finalised and approved by the end of September.

Infra M&A:

*BHP Billiton has applied to the Queensland government for approval to build a AUD1b-plus railway from its coalmines to the Abbott Point port, in direct competition with coal hauler QR National

*Mergers and acquisitions by US energy utilities rose to their highest level for four years in the first half of this year, emphasising how consolidation is being driven by low prices for natural gas, demand for heavy investment and more willingness by regulators to accept deals. USD52b of deals for electricity and gas companies were announced in the first six months of this year

Infra Funding:

*Union Pacific (US Rail) sold USD500m of senior unsecured debt at the lowest nominal interest rate for a US marketed 30 year dollar bond issue in BBB companies. The yield was 4.875%, a risk premium of 1.1% over Treasuries

*Vietnam plans to issue bonds, seek official development assistance and mobilize private funds to raise \$10 billion for building the country's biggest airport over the next decade. The airport, about 40km from downtown Ho Chi Minh City will handle 25 million passengers a year by 2020, more than double the capacity of the city's existing Tan Son Nhat airport

Other: The Indian government plans to set up a R185b rupee (USD4b) fund to finance large-scale industrial projects, together with the Japanese government. The Delhi-Mumbai Industrial Corridor (DMIC) is to construct a 1,500-km railway linking New Delhi with Mumbai, and build industrial parks and distribution centers along the route. The Indian and Japanese governments agreed to work together on the project at a bilateral summit in 2006.

Important Information:

RARE Infrastructure Limited may be contacted by writing to Level 18, 1 York Street, Sydney, NSW, 2000, by tel. on (02) 9397 7300, by fax on (02) 7397 7399 or by email at operations@rareinfrastructure.com. RARE provides this information as an authorised representative of Treasury Group Investment Services (TIS) AFSL No. 227 326.

TIS is the responsible entity for the RARE funds. TIS can be contacted by writing to Level 5, 50 Margaret Street, Sydney, NSW, 2000, by telephone on (02) 8243 0400 or by fax on (02) 8243 0410.

TIS receives a management fee for the RARE funds out of which it pays an investment management fee to RARE in return for RARE acting as investment manager for the RARE funds. The employees and directors of RARE and TIS are paid a salary. They are not paid any commissions but may be paid a performance bonus based on personal performance or the company's performance. TIS is a wholly owned subsidiary of Treasury Group Limited. Treasury Group Limited is also a shareholder in RARE.

Portfolio Commentary

In August RARE Series Infrastructure Value Fund Hedged (-3.0%) underperformed its benchmark (+0.8%) and outperformed the UBS Global Infrastructure & Utility 50/50 Index (-3.4%).

Over the month, Water (+43bps) had a very strong month, whilst Toll Roads (-175bps) detracted from performance. By Region, North America (+99bps) was the strongest contributor to performance, whilst UK/Europe (-292bps) and Asia Pacific Developing (-59bps) were the largest detractors.

In stock terms, TransCanada (North America, Pipelines) +30bps and American Water Works (North America, Water) +25bps were the largest contributors to return. The Toll Roads Vinci (Europe) -58bps, Shenzhen (Asia Pacific Developing) -47bps and Abertis (Europe) -45bps, were the largest detractors.

In the month, we sold out of GDF Suez (Europe, Gas), ALL America Latina (LatAm, Rail) and added Vopak (Europe, Ports) to the portfolio.

We continue to look for companies with fundamental long term value, with strong balance sheets, strong management and supportive regulatory environments or long term contracts that help to underpin revenues, cashflow and dividends.

Richard Elmslie & Nick Langley
Senior Portfolio Managers

Overview of Fund Holdings

| Top 10 Holdings | Weighting |
|-----------------------------|-----------|
| MAP GROUP | 5.2% |
| VINCI SA | 4.9% |
| TRANSCANADA CORP | 4.7% |
| TCL | 4.2% |
| ABERTIS INFRAESTRUCTURAS SA | 3.9% |
| NATIONAL GRID PLC | 3.6% |
| SES | 3.5% |
| SOUTHERN CO | 3.4% |
| SHENZHEN INTL HOLDINGS | 3.3% |
| SPARK INFRASTRUCTURE GROUP | 3.2% |