



RARE Infrastructure Value Fund - Hedged

ARSN 121 027 709
APIR TGP008AU

RARE Infrastructure Value Fund - Unhedged

ARSN 150 677 017
APIR TGP0034AU

Product Disclosure Statement

Issue Number 1 Dated 30 June 2011

Treasury Group Investment Services Limited
Responsible Entity
ABN 38 099 932 920 / AFSL 227326

RARE Infrastructure Limited
Investment Manager
ABN 84 119 339 052 / AFSL 307727

Before you start

It is important that you read this Product Disclosure Statement (PDS) carefully before deciding whether to invest and before lodging an application for units in the RARE Infrastructure Value Fund - Hedged (**Hedged Fund**) (previously known as the RARE Infrastructure Value Fund) or RARE Infrastructure Value Fund – Unhedged (**Unhedged Fund**) (collectively the **Funds** or individually the **Fund**). We suggest that you keep this PDS and any supplementary information for future reference.

Your investment does not represent deposits or other liabilities of Treasury Group Investment Services Limited (**TIS**), RARE Infrastructure Limited (**RARE**) or other companies within Treasury Group. Your investment can be subject to investment risk, including possible delays in repayment and loss of income and principal invested. TIS, RARE and Treasury Group Limited (**TRG**), their officers, employees or agents, do not in any way guarantee the capital value of your investment and/or the performance of the Fund.

To help you to make an informed investment decision, we recommend that you obtain professional advice from a licensed adviser and/or tax adviser before investing.

References in this PDS to “we”, “us” and “our” refer to TIS.

The information contained in this PDS has been prepared without taking account of your personal objectives, financial situation or needs. You should, before acting on this information, consider its appropriateness having regard to your personal objectives, financial situation and needs. You should read this PDS in full before deciding whether to invest, and speak to a financial adviser if you require advice.

About this PDS

The offer of units in the Funds made in this PDS is available to persons receiving this PDS within Australia and New Zealand (including in electronic form). Investors in New Zealand should read section 24 “Important Information for New Zealand Investors”. This PDS does not constitute an offer or invitation in any place outside Australia and New Zealand where, or to any person whom, it would be unlawful to make such an offer or invitation. If you have received this PDS electronically, RARE will provide a paper copy free of charge on request.

Please note all references to dollar amounts and issue and redemption prices in this PDS are in Australian dollars, unless otherwise stated.

The information in this PDS is current as at the date of the PDS unless otherwise stated and is subject to change. If the change is materially adverse, we will issue a Supplementary PDS. For updated information, please visit the TIS website at www.treasurygroup.com and/or the RARE website at www.RAREinfrastructure.com. RARE will provide you with a paper copy of any updated information or Supplementary PDS free of charge on request. RARE’s contact details are located inside the back cover of this PDS.

Who are RARE, TIS and TRG?

RARE Infrastructure Limited

RARE is a specialist investment manager engaged by TIS to manage investments in global infrastructure securities for the Funds. RARE holds an Australian Financial Services Licence (**AFSL**) 307727. TRG has an equity interest in RARE.

The RARE investment team consists of a highly skilled group of ten executives who specialise in the investment and management of securities in the global infrastructure sector, including airports, gas, electricity, water and roads. Members of the team have an aggregate of over 90 years of global infrastructure experience and over 70 years of fund management experience.

RARE has given, and not withdrawn, its consent to being named in the PDS as investment manager for the Fund and to the inclusion of information relating to RARE in the form and context in which it is named and the information is included. Further information about RARE is available on its website at www.RAREinfrastructure.com.

Treasury Group Limited

TRG is the holding company of an Australian financial services group and is listed on the Australian Securities Exchange (**ASX**). TRG invests in and supports the operations of a group of small to medium-sized boutique funds management companies, including RARE, which between them held over \$18.1 billion in funds under management as at 31 March 2011. Further information about TRG is available on its website at www.treasurygroup.com.

TRG has given, and not before the date of this PDS withdrawn, its consent to the inclusion in the PDS of the statement concerning TRG in the form and context in which it is included.

Treasury Group Investment Services Limited

TIS is the responsible entity for the Fund and issuer of this PDS. As responsible entity we issue the units in the Fund.

TIS is a wholly owned subsidiary of TRG and was formed in 2003 to provide administrative and operational services to funds management companies in which TRG has an interest.

TIS holds AFSL 227326, which includes an authorisation to operate managed investment schemes.

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1. Significant Features

All information contained in this PDS applies to both Funds unless otherwise stated.

	RARE Infrastructure Value Fund - Hedged	RARE Infrastructure Value Fund - Unhedged
ARSN	131 027 709	150 677 017
APIR Code	TGP0008AU	TGP0034AU
Investment manager	RARE Infrastructure Limited	
Responsible entity/issuer	Treasury Group Investment Services Limited	
Inception date	1 August 2006	30 May 2011
Investment Objective	To provide investors with regular and stable income, comprised of dividends, distributions and interest received plus capital growth from a portfolio of global infrastructure securities while actively hedging the Fund's currency exposure back to AUD.	To provide investors with regular and stable income, comprised of dividends, distributions and interest received plus capital growth from a portfolio of global infrastructure securities without any hedging of the Fund's currency exposure.
Entry Fee	Nil	Nil
Exit Fee	Nil	Nil
Investment Management fee ¹	1.025% per annum	0.974% per annum
Performance fee	10.25% of investment returns made in excess of the Benchmark. The total performance fee will not exceed 0.30% of the average of the daily net asset value of the fund in any financial year.	10.25% of investment returns made in excess of the Benchmark. The total performance fee will not exceed 0.30% of the average of the daily net asset value of the fund in any financial year.
Benchmark	An accumulation index comprised of the OECD G7 Inflation Index plus 5.5% per annum.	An accumulation index comprised of the OECD G7 Inflation Index plus 5.5% per annum
Transaction Costs per unit (Buy/Sell Spreads) ³	+0.45% of the value of the net asset value unit price of the Fund for applications and -0.25% of the net asset value unit price for redemptions	+0.45% of the value of the net asset value unit price of the Fund for applications and -0.25% of the net asset value unit price for redemptions
Applications and redemptions	Daily	Daily
Minimum initial investment ²	\$500,000	\$500,000
Minimum additional investment ²	\$10,000	\$10,000
Minimum redemption amount ²	\$10,000	\$10,000
Minimum unit holding value ²	\$500,000	\$500,000
Distributions paid	Generally quarterly	Generally quarterly
Unit pricing	Daily	Daily
Custodian and investment administrator	RBC Dexia Investor Services Trust	RBC Dexia Investor Services Trust

Note 1: Unless otherwise stated, fees and costs that are expected to be subject to GST are stated inclusive of the net impact of GST (that is, including GST less any applicable reduced input tax credits).

Note 2: We retain the discretion to waive these minimums. If you invest through IDPS Operator such as a master trust or wrap account platform, these minimums may not apply to you. Please refer to Section 19, "Master trust and wrap account investors" and to the information provided to you by your service provider.

Note 3: Transaction costs are reviewed on a regular basis.

2. About the Funds

The Funds will invest in global listed securities where the underlying business is substantially involved in infrastructure.

Investment objective

The Funds are managed with the objective of providing investors with regular and stable income, comprised of dividends, distributions and interest, plus capital growth.

RARE intends to invest the assets of the Funds in securities which offer positive absolute returns, rather than selecting securities because they are included in a particular industry standard index.

The Funds aim to provide investors with sustainable returns over the medium-to-long term from a diversified portfolio of global securities with risk/return characteristics RARE believes are attractive while actively hedging the Fund's currency exposure back to AUD for the Hedged Fund and without any currency hedging for the Unhedged Fund.

Suggested investment timeframe

Investors should consider an investment horizon of three to five years in the Funds. Investors should understand that the value of an investment in the Funds will change over time.

Investments

As a guideline, each Fund will usually hold between 30 and 60 different securities. The main investments of each Fund will include:

- securities listed on stock exchanges in the G7 countries of the United States of America, United Kingdom, Japan, Germany, France, Italy and Canada;
- securities listed on exchanges of other developed and developing nations;
- cash (and cash equivalents such as other investment grade interest-bearing securities);
- derivatives, in the circumstances described below; and
- depository receipts or other such securities where the underlying securities are inaccessible or illiquid.

RARE may invest up to 20% of each of the Funds in unlisted securities should attractive opportunities arise.

Use of derivatives

RARE may use options, futures and other derivatives to reduce risk or gain exposure to underlying physical investments. Derivatives are not used speculatively. RARE will not use derivatives for the purpose of gearing the Funds. RARE regularly monitors derivative positions to ensure that the Funds can meet all derivative contract obligations from the appropriate amounts of cash or physical assets held by the Fund. Please refer to Section 5 'What are the significant risks?' of this PDS, for further information on how RARE manages derivatives risk.

Borrowings

RARE may borrow for the purposes of ensuring the Funds maintain adequate liquidity but will not borrow to make investments.

Currency hedging

For the Hedged Fund, RARE intends to substantially hedge all of the Fund's currency exposure back to Australian dollars.

For the Unhedged Fund, RARE will not hedge the Funds currency exposure back to Australian dollars.

Target asset allocation

The Funds' targeted holdings will generally be diversified by sector and regional exposures in the proportions outlined in Table 1 below:

The investment mix can change quickly and sometimes significantly. Contact us or visit RARE's website for regular updates on the Funds.

General fund information

The Funds are not listed on any securities exchange. They are managed investment schemes registered with Australian Securities and Investments Commission (ASIC) under the Corporations Act 2001 (Corporations Act).

The Funds provide unit holders with a practical means of gaining exposure to a portfolio of global infrastructure securities, via a single investment.

The total return of each Fund will be generated from dividends, distributions or interest received and from the capital appreciation of securities in each Fund.

TABLE 1 Sector Parameters		Regional Parameters		Asset Maturity Parameters	
Essential Services (e.g. energy & water)	45-70%	UK/Europe (Developed)	20-45%	Greenfield (eg, projects under construction)	0-20%
Transport	25-45%	Asia/Pacific (Developed)	0-25%	Developing	0-20%
Communications	0-15%	Nth America (Developed)	20-45%	Mature	70-100%
Community & Social	0-10%	Developing	0-25%		
Cash	0-20% ¹	Cash	0-20% ¹		

Note: 1. The investment guidelines provide an indication of the intended holdings in the Fund and may be higher or lower from time to time. No more than 40% will be invested in any one country. For example, the target of each Fund is to be fully invested. Additionally in exceptional circumstances, a Fund may have higher levels of cash, where, in RARE's opinion, more attractive investment opportunities cannot be found.

What is an Infrastructure Security?

RARE believes that infrastructure securities are the securities of entities with long term, capital intensive investments that serve the community through the provision of essential community services. Good infrastructure provides key economic services efficiently, improves the competitiveness of, and generates high productivity for, the economy.

In RARE's opinion, infrastructure securities and their underlying assets possess common investment features, including:

Long-Life Assets

A significant initial capital commitment is required.

Infrastructure assets generally have long, useful operational lives, exhibiting a lifecycle including construction, followed by ramp-up and/or mature operational phases. Each of the lifecycle stages is likely to have different risk/return characteristics.

Ownership of Monopoly Assets

Many infrastructure companies benefit from legal or economic monopoly market positions which RARE believes reduce the potentially negative impact of competitive market forces on returns.

Resilient and Stable Cash Flows

Demand or volume growth of infrastructure securities is generally predictable which RARE believes can result in relatively resilient and stable cash flows in all market conditions. The operating cost base of the assets is largely fixed. The assets tend to require low maintenance capital expenditure relative to operating cash flows. RARE believes that the stability of an infrastructure company's cash flows improves RARE's ability to forecast earnings and dividends sustainability.

Attractive Yield

Particularly for mature phase assets, RARE believes that a key attraction is the relatively high distribution yield compared with other equity investments.

Inflation Hedge

A natural hedge against inflation exists for many infrastructure assets since revenue streams, of companies that own infrastructure assets, are usually linked to movements in inflation.

Investment opportunities in infrastructure securities which exhibit the features described above generally include the following sectors:

- transport: roads, airports, seaports and rail;
- energy: gas and electricity transportation, networks and integrated businesses;
- water: water filtration, transportation and waste treatment;
- communications: directory businesses, telecommunications networks, satellites and communications towers; and
- social: schools, hospitals and prisons.

3. How RARE manages your money

Investment process

RARE's investment process includes a number of steps that aim to ensure that the attributes of a security will match the investment objective of the relevant Fund. RARE uses various mechanisms to analyse the global universe of securities. These mechanisms include an investment screening process applying specific financial and market criteria to develop an investment universe of securities. These securities are then subjected to detailed analysis and research to determine RARE's view of the securities' quantitative and qualitative attributes and the risk adjusted return for each security. RARE then compares and selects securities by comparing what RARE believes are common features. The securities exhibiting the better risk adjusted returns are then considered for investment.

The portfolio held by each Fund is constructed based on a bottom up analysis of individual securities. It is not constructed with reference to any particular index.

The RARE investment process is outlined in Table 2 on page 5.

Screening analysis

The screening analysis identifies all global infrastructure securities which exhibit the "infrastructure" investment features referred to in Section 2. This universe is comprised of about 1200 companies with a market capitalisation of approximately USD2.4 trillion as at 31 December 2010.

RARE then screens this group of securities further, based on certain liquidity, financial and valuation parameters to produce a list of about 200-250 companies (referred to as the "RARE 200") with a combined market capitalisation of approximately USD2.0 trillion as at 31 December 2010. This list is then subjected to further peer group analysis to identify "best in class" on a sector and regional basis and to identify any securities that have been excluded to this point but which could be worthy of inclusion into the investment universe for further examination.

Table 2: Outline of RARE investment process.



Individual security assessment

The resources of RARE are utilised to evaluate securities within the investment universe. The evaluation process includes examination and analysis of company specific documentation (annual reports, presentations and announcements), competitors and industry bodies, reports and analysis from investment banks, the business environment and the industry in the particular geographic region in which the company operates. The RARE investment team travels regularly to visit companies whose securities RARE considers are prospective investments. Such visits involve meeting the company's management as well as the management of competitors, regulatory bodies and other parties that may impact on the business and earnings. This quantitative analysis also evaluates the sustainability of future dividends and reasonableness of earnings growth estimates.

RARE undertakes detailed cash flow modelling to assess the intrinsic value of a company based on its future cash flows. These discounted cash flow valuations are checked for reasonableness against other valuation techniques. Coupled with this cash flow analysis is an assessment of the capital structure and its impact on value.

RARE believes that an assessment of a company's operating environment is crucial to assessing the value of the company's securities and often influences the outcome of RARE's financial modelling. RARE has regard to political and economic change as these variables can significantly affect current and future valuations of infrastructure assets. RARE also views an assessment of management of each company as essential in determining whether to proceed with an investment. In RARE's experience a change in management invariably provides a potential catalyst for an investment opportunity or, at the very least, a re-evaluation of the value of an investment.

RARE's security valuation methodology includes adjusting the risk weighting to reflect country risk and company specific financial, business and management risk. These risk adjustments are made to the discount rate applied to the company's future cash flows.

Portfolio construction parameters

The portfolio construction of each Fund is designed to manage shorter-term risk through sufficient diversification without negatively impacting the long-term objective of consistent performance and returns. The portfolio construction guidelines incorporate risk controls governing the holdings of each Fund including:

- sector and regional geographic targets;
- asset maturity targets; and
- security weighting limits.

The portfolio of each Fund is constructed as a result of individual security selection and not as a result of reference to any index or market benchmark. This means the composition of securities held by each Fund is likely to deviate from world benchmark weights in global industry sectors, regions or individual securities.

Statement on socially responsible investing

RARE is a signatory to the United Nations – Principles of Responsible Investment (www.unpri.org).

We do not promote the Funds on the basis that RARE takes into account labour standards or environmental, social or ethical considerations for the purposes of selecting, retaining or realising the investments of the Fund.

In making investment decisions, RARE incorporates environmental, social and governance issues into investment analysis and decision making processes, including such issues as climate change (cost of carbon) and corporate governance. However, in doing so, RARE does not have a predetermined view on what it regards to be a labour standard or an environmental, social or ethical consideration.

4. What are the benefits?

The benefits to investors that subscribe for units in these Funds include the following:

Growth in a new asset class

An investment in the Funds provides investors with a mechanism to capitalise on the development of infrastructure as a separate and distinct asset class. RARE believes that infrastructure securities offer attractive investment characteristics which can provide significant diversification and risk/return benefits to investors.

Investors in the Funds will gain access to the infrastructure sector which RARE believes will continue to grow globally. Key themes that RARE believes will underpin the growth of the asset class include:

- global demand for infrastructure assets as major economies grow and mature;
- enhanced revenues for infrastructure securities due to better utilisation of network assets and incentives to improve the reliability of their networks and other assets;
- cost savings from industry consolidation and productivity increases; and
- a move to more optimal capital structures for infrastructure securities generally.

Investment return

A potential investment return comprised of dividends, distributions or interest received and capital growth in excess of the Benchmark.

Specialised and experienced manager

The Funds are managed by the RARE investment team who are specialists in valuing global infrastructure businesses. The team, which has over 90 years global infrastructure and over 70 years funds management experience, is comprised of ten professional staff.

Portfolio diversification

Each Fund will hold a diverse range of global infrastructure securities across a number of infrastructure sub-sectors such as gas, electricity and water utilities, toll-roads, airports, rail and communication infrastructure and across geographic regions.

An investment in either Fund may potentially diversify an investor's existing portfolio as RARE believes that each Fund will have a low correlation to global equities and property.

Liquidity

Generally investors can apply to withdraw an investment on any Business Day.

Other benefits

The Funds have other advantages not generally available to the investing public including:

- your money is managed by RARE's investment professionals who have access to investment techniques that may not be available to all investors;
- access to investment opportunities and markets that may not be accessible to all investors; and
- the ability, in general, to invest at a lower cost than individual investors.

5. What are the significant risks?

What are the risks?

Please note that unless expressly stated otherwise, the risks set out below apply to both Funds.

It is important to understand that there are risks inherent in any investment. The purpose of this section is to inform you of the types of risks that may apply to investments in the Funds. Whilst we are not able to remove all the risks associated with an investment in these Funds, TIS and RARE employ a range of investment and risk management strategies to identify, evaluate and manage these risks.

All investments are subject to varying risks and generally go up as well as down in value. Different asset classes perform differently at different times and have different risk characteristics and volatility.

The significant risks for the Funds, and the way TIS and RARE aim to manage them, are discussed below. The performance of the Funds or the return of capital is not guaranteed and the value of your investment will go up and down with the value of the Funds' assets.

Individual investment risk

Individual investments made by the Funds will fluctuate in value, meaning that on occasion, they may fall in value. A company's share price may fluctuate for a number of reasons. A company may undergo changes in its financial or operating circumstances, and may also face broader influences such as political and industry changes. RARE aims to reduce these risks by conducting thorough analysis and research of all of the Funds' investments.

Foreign currency risk

Investment in foreign markets gives rise to foreign currency exposure. This means the value of foreign investments will vary as exchange rates change. Fluctuations in foreign currency can have both a positive and negative impact on the investments of the Funds.

For the Hedged Fund, RARE intends to substantially hedge all of the Fund's currency exposure back to Australian dollars.

For the Unhedged Fund, RARE does not intend to hedge the Fund's currency exposure.

Therefore the investors should be aware of the impact of foreign currency risk on the investments of the Fund.

Market, country, interest rate and political risk

Economic, technological, political, legal and market conditions in countries in which the Funds have investments are variable, particularly in developing countries. Changes in these factors can have both positive and negative influences on the value of the Fund's investments. Political situations could develop where the government of a country stops or limits RARE's ability to repatriate assets to Australia. The global economic, technological, political, legal and market conditions may directly or indirectly impact on the operations of companies which may, in turn, directly or indirectly impact upon the value of a Fund's assets.

Changes in interest rates can also have a positive or negative impact directly or indirectly on investment values or returns. For example, hybrid securities, cash and other interest-bearing securities are very sensitive to fluctuations in interest rates. Infrastructure securities tend to be more sensitive to interest rate fluctuations than industrial securities.

RARE uses research and analysis to form a view on these matters and then adjusts the investments of the Fund to reduce the impact where possible. More generally, RARE will avoid investing in less stable countries where it believes the potential risk of loss is significant.

Fund risk

Risks particular to the Funds include the risk that they could be terminated, the fees and expenses could change, we could be replaced as responsible entity and RARE could be replaced as investment manager or its portfolio managers could change. There is also a risk that investing in the Funds may give different results to investing directly in securities because of income or capital gains accrued in the Funds and the consequences of investment and withdrawal by other investors. You could receive back less than you invested and there is no guarantee that you will receive any income. If there is an interruption of regular trading in the market for an asset of the Funds, there may be delays in processing withdrawal requests.

TIS and RARE aim to keep fund risk to a minimum by monitoring how these risks may impact on the Funds and the value of your investment.

Derivatives risk

Derivatives risks include:

- the value of derivative positions not moving in line with movements in the underlying asset;
- potential illiquidity of the derivative; and
- the Funds being unable to meet payment obligations as they arise in relation to derivatives contracts.

Although not all of these risks can be eliminated, RARE manages these risks as far as practicable by:

- regularly monitoring each Fund's derivative exposure;
- ensuring that each Fund is able to pay all of the obligations associated with derivatives from the appropriate amount of cash or physical assets held by the Fund;
- not borrowing against a Fund's assets for the purposes of leveraging the returns of the portfolio;
- only investing in derivatives that RARE considers to have adequate market depth; and
- only using intermediaries RARE considers reputable.

Liquidity risk

As the Funds will invest in securities listed on securities exchanges in various countries, if there is an interruption of regular trading in a market, or for a particular asset of a Fund, there may be delays in processing withdrawal requests. Similarly, for some securities in the Funds where the volume of trading is low, the ability to liquidate those securities in a timely manner may be impacted. RARE closely monitors cash levels within each Fund to manage this risk and ensure that there is adequate liquidity to meet the needs of unit holders in ordinary circumstances.

Unlisted securities risk

Where an investment is made in an unlisted security, additional risks may be assumed, including that the investment will be less liquid than a listed security, that distributable income is likely to be lower and that the underlying investment may not appreciate in value. RARE will manage the liquidity risk by limiting investments in unlisted securities in each Fund up to 20 per cent of the value of that Fund. Generally, RARE expects that the value of unlisted securities will be considerably less than this maximum. Valuations for unlisted investments will be based on references to any recent comparable equity sales or by reference to independent third party valuations.

6. Fees and other costs

The following warning is required by Australian law. Specific information about fees and costs relating to the Funds is available later in this section.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the funds assets as a whole.

Taxes are set out in Section 15 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST ¹	RARE Infrastructure Value Fund - Hedged		RARE Infrastructure Value Fund - Unhedged	
	AMOUNT	HOW AND WHEN PAID	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund				
Establishment fee The fee to open your investment	Nil	Not applicable	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable	Nil	Not applicable
Termination fee The fee to close your investment	Nil	Not applicable	Nil	Not applicable
Management costs The fees and costs for managing your investment				
Management fee This is the fee payable to TIS as the responsible entity. Out of this fee will be paid investment management fees and expenses, all ongoing administration, responsible entity fees and other fees that would normally be payable by the Fund except for transaction costs, government charges and abnormal expenses.	1.025% per annum of the net asset value of the Fund.	This fee is calculated and accrued daily and is paid monthly in arrears to TIS from the assets of the Fund. (This amount may be negotiated for wholesale investors). ²	0.974% per annum of the net asset value of the fund	This fee is calculated and accrued daily and is paid monthly in arrears to TIS from the assets of the Fund. (This amount may be negotiated for wholesale investors). ²
Performance Fee Payable to TIS if the performance of the Fund exceeds the return of the Benchmark for the Fund (provided the return of the Fund is positive).	10.25% of the return of the Fund that exceeds the return of the Benchmark. The total performance fee will not exceed 0.30% of the average of the daily net asset value of the fund in any financial year.	If a performance fee is payable, it is paid to TIS out of the assets of the Fund as soon as practicable after the end of each financial year period ending 30 June. The fee is calculated daily and reflected in the Fund's daily unit price. (This amount may be negotiated for wholesale investors). ²	10.25% of the return of the Fund that exceeds the return of the Benchmark. The total performance fee will not exceed 0.30% of the average of the daily net asset value of the fund in any financial year.	If a performance fee is payable, it is paid to TIS out of the assets of the Fund as soon as practicable after the end of each financial year period ending 30 June. The fee is calculated daily and reflected in the Fund's daily unit price. (This amount may be negotiated for wholesale investors). ²
Service fees				
Investment switching fee The fee for changing investment options	Nil	Not applicable	Nil	Not applicable

Note 1: Fees and costs include, if applicable, GST less any reduced input tax credits and stamp duty. For the purposes of this PDS, it has been assumed that TIS will be entitled to the maximum amount of reduced input tax credits applicable when stating fee amounts. However, if the GST rate increases, or if the full amount of reduced input tax credits is not available, each Fund's constitution allows us to recoup the extra amount out of the Funds

Note 2: Please refer to Item 6 in the "Additional Explanation of Fees and Costs" section of this PDS.

Example of annual fees and costs¹

This table gives an example of how the fees and costs for this product can affect your investment over a one (1) year period. You should use this table to compare this product with other managed investment products.

EXAMPLE RARE Infrastructure Value Fund - Hedged		BALANCE OF \$500,000 WITH A CONTRIBUTION OF \$10,000 DURING YEAR
Contribution Fees	Nil	Nil
PLUS Management Costs Management Fee	1.025%	And , For every \$500,000 you have in the fund you will be charged \$6,625 each year.
+ estimate of Performance fee	0.30% ²	
Total	<u>1.325%²</u>	
EQUALS Cost of fund		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$10,000 during that year, you would be charged fees of from: \$6,625* What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial advisor.

Note 1 Please note that this is an example only and does not take into account transaction costs, government charges or any movements in the investor's investment or distributions that may occur over the course of the year.

Note 2: The performance fee is based on the maximum performance fee payable. The use of this estimate is not an indicator or guarantee of future performance. The actual performance fee and therefore the Management Costs will vary, depending on the Fund's actual return. A performance fee will not always be payable.

*Additional fees may apply. The above example assumes the balance of \$500,000 remains constant throughout the year and the additional contribution of \$10,000 was made on the last business day of the year. Any additional investments made will increase the portfolio balance on which the management costs are calculated.

Whilst the constitution for the Fund provides for the charging of additional fees, TIS will not charge any additional fees unless investors are notified in accordance with 'Changes to the fees' in Item 5 below.

Additional explanation of fees and costs

1. Performance fee

The Funds' constitutions provide us with an entitlement to receive a performance fee that is to be paid out of the assets of the respective Fund in the circumstances set out below. In practice, should we become entitled to a performance fee, we will charge each Fund an amount equivalent to the performance fee amount up to a cap of 0.3% of the average of the daily net asset value of the Fund and pay this amount directly to RARE.

The management costs shown in the fee table on page 10 of this PDS include the performance fee payable to RARE. The worked example of annual fees and costs also includes the estimated performance fee for the Fund.

Glossary

Actual Performance means, for the purposes of calculating a performance fee, the Mid Price at the end of a financial year less the Mid Price at the end of the previous financial year, divided by the Mid Price at the end of the previous financial year. The Actual Performance is expressed in percentage.

Benchmark Return means, for the purposes of calculating a performance fee, the Benchmark (as described below) as at end of a financial year less the Benchmark as at the end of the previous financial year (or for the first performance fee period, 100), divided by the Benchmark as at the end of the previous financial year. The Benchmark Return is expressed in percentage.

Mid Price means, for the purposes of calculating the performance fee, the adjusted net asset value of a Fund (plus any distributions relating to the current financial year and prior to taking into account any accrued performance fee) divided by the number of units on issue. The Mid Price is calculated daily.

NAV unit price means, when used in the examples of effect of performance fee section below, a net asset value unit price. The net asset value unit price is calculated as the value of the assets of a Fund, less the accrued expenses and other liabilities of the Fund (including the accrued management fees and accrued performance fees), determined by us, divided by the number of units on issue.

Calculation and accrual

We have set the performance fee at 10.25 % (10% plus the net effect of GST) of the amount by which the Actual Performance of a Fund exceeds the Benchmark Return. The performance fee is calculated and accrued daily.

If, at the end of a financial year, the Actual Performance of a Fund is higher than the Benchmark Return and the aggregate of the daily performance fee accruals and any accruals carried forward from the previous financial year is positive, RARE will be paid the dollar amount of that accrual out of the assets of a Fund (subject to a cap amount explained below).

If, at the end of a financial year, the Actual Performance of a Fund is lower than the Benchmark Return, no performance fee will be paid and the aggregate of the daily performance fee accruals (positive or negative) will be carried forward to the next financial year.

The Benchmark is an accumulation index maintained daily by RARE comprised of the OECD G7 Inflation Index (OECD Index) plus 5.5% per annum. The OECD Index is published on the OECD website at: www.oecd.org/std/prices-indices. Under the “Price Indices” heading, click on “Statistics” and the link “Consumer prices Indices (CPI) for OECD countries and major non-member Economies”. The OECD usually publishes the OECD Index early in each month, two months in arrears. Since the OECD Index is published after the commencement of each month, RARE does not use that published index in the calculation of the Benchmark until the first day of the month after it is published. This means that the two month lag created by the time it takes for the OECD to publish the OECD Index is extended to three months because RARE does not use the published index until the first day of the next month.

By way of example, the way the Funds will use the OECD Index in the calculation of the performance fee is as follows: The January monthly OECD Index will be published by the OECD in March. RARE will then use the January OECD Index to calculate the Benchmark that is used in the daily performance fee calculation in April. In May, RARE will use the OECD Index for February. This means the performance of the Funds will be measured against the OECD Index for a previous period. Historically the movement of the OECD Index from month to month is small and therefore the impact of using the OECD Index for a previous period (rather than the actual period) should be immaterial on the calculation of the performance fee for a period.

If you have any questions in relation to how this lagging Benchmark is used in the calculation of the performance fee please contact RARE.

RARE converts the percentage change in the OECD Index from last month compared to the present month, plus 5.5% per annum, to a daily equivalent (using the assumption that any change in the OECD Index has accrued uniformly on each day of the month). This daily percentage change will be subtracted from the percentage change in each Fund’s performance each day.

The resulting percentage may be positive or negative (representing the outperformance of a Fund against the Benchmark or its underperformance against the Benchmark).

The percentage outperformance (or under performance) will be multiplied by the adjusted net asset value of the Funds daily. The daily performance fee will be 10.25% of the outperformance.

The daily performance fee calculation and accrual is taken into account in determining each Fund’s unit price each day and may cause the unit price to increase or decrease depending on the percentage outperformance or underperformance.

Estimate of performance fee

The performance fee for each Fund is 10.25% of the returns over the Benchmark and is subject to a “high water mark” and an annual maximum payment of 0.30% of the average of the daily net asset value in any financial year. The “high water mark” of a Fund is the highest of the Mid Prices at the close of each performance fee period since the inception of that Fund. A performance fee cannot be paid for the current performance fee period unless the closing Mid Price is greater than the “high water mark”. In addition, the maximum performance fee payable shall not exceed 0.30% of the average of the daily net asset value of the relevant Fund in any financial year. Any excess performance fee not paid will be carried forward

to future periods and paid if the Actual Performance of the relevant Fund is higher than the Benchmark Return but subject to the total performance fee not exceeding 0.30% of the average of the daily net asset value of that Fund in any financial year. The performance fee is accrued daily and is paid annually out of the assets of the relevant Fund.

Due to the nature of share markets and global macroeconomic trends, we are not able to predict future performance of the Funds or the Benchmark.

For the Hedged Fund, during the year from 1 July 2009 to 30 June 2010, we determined that a performance fee of \$1,226,620 was payable. As the Unhedged Fund is a new fund, we are unable to give you any estimate of the performance fee. Due to the nature of share markets and global macroeconomic trends, we are not able to predict future performance of the Fund or the Benchmark.

The estimated performance fee is not intended to be a representation or guarantee as to the actual amount of the performance fee that may be payable to RARE. This is because many factors which may affect the performance of the Funds are outside the control of TIS or RARE or may not be capable of being foreseen or accurately predicted. Accordingly, the actual performance fee may be different from this estimate and such a difference may be material. You should read Section 5 “What are the significant risks” of the PDS, to understand the sorts of factors that may impact on the performance of the Funds. Investors are also advised to review our estimate and make their own independent assessment of the future performance and prospects of the Funds.

Example of effect of performance fee

The following examples outline two scenarios of the effect of the performance fee. Please note that the below are examples only. In practice, the actual investment balance of a unit holder will vary daily and the actual fees and expenses that we charge are based on the value of the relevant Fund, which also fluctuates daily. These examples do not include transaction costs applicable to each application and redemption (see section 2 on page 12).

Assume you are the only investor and make an investment of \$500,000 in a Fund as at 1 July and 500,000 units are issued to you (assuming a NAV unit price of \$1.00 as at 1 July).

The Benchmark Return is assumed to be 9% per annum in the following examples.

Actual Performance of the Fund is higher than the Benchmark Return.

Let’s assume that the NAV unit price has increased to \$1.10 so that the value of your investment in the relevant Fund as at 30 June is \$550,000. You have received \$25,000 of distributions during the Financial Year. As explained above, to calculate a Mid Price for the purposes of calculating the Actual Performance, the distributions you have received during the Financial Year are added back to net asset value amount of your investment. This means that a Mid Price for this Financial Year is \$1.15. Let’s also assume that the average net asset value of the relevant Fund over the Financial Year was \$525,000. The performance fee components are calculated in the following way: (see page 12)

The Actual Performance for the relevant Fund is greater than the Benchmark Return. The aggregate performance fee accrual of \$3,382.50 at the end of the Financial Year is included in the \$1.10 NAV unit price. As the accrual is greater than 0.30% of the average of the daily net asset value of the relevant Fund for the

Actual Performance	=	[Mid Price this FY - Mid Price last FY] / Mid Price last FY	
Mid Price This FY	=	[((\$550,000+\$25,000) / \$500,000)]	= \$1.15
Mid Price Last FY	=	\$500,000 / 500,000	= \$1.00
Therefore		(\$1.15 - \$1.00) / \$1.00	= 15%
Benchmark Return	=	per assumption, 9%	= 9%
Aggregate performance fee accrual (combined daily accruals)	=	(15% - 9%) x (\$525,000 + \$25,000) x 10.25%	= \$3,382.50
Performance fee cap	=	0.3% x \$525,000	= \$1,575
Performance fee payable	=	minimum of accrual or fee cap	= \$1,575
Performance fee per unit	=	\$1,575 / 500,000	= \$0.00315
Performance fee accrual carried forward	=	\$3,382.50 - \$1,575	= \$1,807.50

Financial Year, the performance fee payable is capped at \$1,575 (payment is made after 30 June) and the remaining accrual of \$1,807.50 is carried forward into the next Financial Year. As the NAV unit price is calculated including the performance fee accrual, the NAV unit price is not impacted by the payment of the performance fee. As such, the value of your investment in the relevant Fund remains at \$550,000. The new high water mark is \$1.15 per unit.

Performance fee not payable as performance is below the benchmark value

Now let's assume instead that the NAV unit price has increased to \$1.02 so that the value of your investment in the relevant Fund as at 30 June is \$510,000 and you have received \$25,000 of distributions during the Financial Year. Let's also assume that the average net asset value of the Fund over the year was \$505,000.

No performance fee is payable on your investment as the Actual Performance of 7% has not exceeded the Benchmark Return of 9%. The underperformance of \$1,086.50 will be carried forward into the next Financial Year. The NAV unit price is unchanged at \$1.02.

2. Transaction costs (buy-sell spread)

Application and redemption prices for the Funds reflect an adjustment for an amount that represents transaction costs, also known as the buy-sell spread, incurred by a Fund to acquire or sell the assets of the Fund in relation to each application and redemption.

Transaction costs are our reasonable estimate of the total cost of acquiring or selling the assets of a Fund expressed as a percentage of the net asset value per unit. Transaction costs may be significant in developing countries. The purpose of charging transaction costs is to prevent existing unit holders from bearing the transaction costs associated with investors acquiring and redeeming units in a Fund.

Transaction costs do not represent a fee or income to TIS or any other agent or service provider.

Transaction costs of approximately 0.45% will apply in respect of an application for units and 0.25% for a redemption of units. For instance, if on a particular date the price of a unit in a Fund, determined as described in Section 13 "Issue and redemption prices", is \$1.00 then the application and redemption prices calculated for that day's transactions will be \$1.0045 and \$0.9975 respectively.

Transaction costs may be altered by us at any time and unit holders will be advised as soon as is practicable.

3. Flexible charging structure

Under the constitutions for each Fund, we are entitled to certain maximum contribution fees, withdrawal fees, performance fees and management fees. We may waive, reduce or refund these fees in certain circumstances (for example, see Item 6 on page 13).

The maximum amounts which we are entitled to charge under the constitution for each Fund are as follows:

(a) Contribution fee (for the Hedged Fund only)

A contribution fee (or entry fee) of 5% (excluding GST) of each application amount to be charged.

However, the fee will not be charged during the life of this PDS.

(b) Withdrawal fee (for the Hedged Fund only)

A withdrawal fee of 5% (excluding GST) of each withdrawal amount. However, the fee will not be charged during the life of this PDS.

(c) Management fee

We may receive a management fee of up to 2% (excluding GST) per annum of the net asset value of each Fund which is calculated and accrued daily and is payable monthly in arrears.

We are entitled to recover all expenses incurred by us in relation to the proper performance of our duties in respect of the Funds. For the Hedged Fund we have currently set the management fee at 1.025% per annum of the net asset value of the Fund inclusive of the net effect of the GST.

For the Unhedged Fund, we have currently set the management fee at 0.974% per annum of the net asset value of the Fund, inclusive of the net effect of the GST.

From the management fee, and without further charge to the Funds, we pay custody fees, responsible entity fees, investment management fees, audit fees, accounting fees, legal and regulatory fees, and all other normal costs of the Fund.

Transaction costs (such as brokerage and settlement costs), government charges (such as stamp duty and GST charged on brokerage) are paid when an investor applies for or redeems units in a Fund.

(d) Performance fee

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

4. Adviser remuneration and service fees

We do not pay an initial advice fee or an ongoing advice fee to financial advisers.

You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that we have charged you for investing in a Fund and is not an amount paid out of the assets of a Fund or to TIS as Responsible Entity. The amount of fees you will pay (if any) to your adviser should be set out in a Statement of Advice given to you by your financial adviser. You will be responsible for the payment of these fees.

We recommend that you check with your adviser if you will be charged a fee for the provision of any advice provided by them.

5. Changes to the fees

Subject to Fund constitutions and the law, the fees outlined above may be varied at any time at our absolute discretion within the maximum stated above. Reasons might include changing economic conditions or changes in the law. We will provide investors at least 30 days prior notice of any proposed increase to the fees.

We are only permitted to charge more than the maximum amount of the fee that the Fund's constitution allows if unit holders' approval by special resolution has been gained.

6. Negotiated fees

We may offer rebates or waivers of fees to wholesale clients on an individually negotiated basis in accordance with relevant law and any applicable ASIC relief. Wholesale clients should contact RARE for further information.

7. Tax

Information about the significant taxation implications of investing in the Funds is set out in Section 15 of this PDS.

8. Abnormal Expenses

The Funds may incur abnormal expenses, such as expenses associated with a change in responsible entity, termination of the Funds or a Unitholder meeting. These expenses will be paid out of the Funds as and when these expenses occur.

7. What about the latest Fund information?

If you are interested in:

- the latest Fund performance figures;
- the current size of each Fund; or
- fee information,

then you may obtain further information to that contained in this PDS, as it becomes available, free of charge on request, from RARE. Printed copies of regular Fund reports are available from RARE, free of charge on request, or may be downloaded from RARE's website at www.RAREinfrastructure.com.

8. How to invest

Applications

To invest in the Funds, complete the application form that accompanies this PDS in accordance with the instructions in Section 25 "Completing the application form" and provide the identification documents (**client identification**) required under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (**AML/CTF Act**). The minimum initial investment in each Fund is \$500,000. Additional investments must be for a minimum of \$10,000. We reserve the right to accept lesser amounts for the initial and additional investments at our absolute discretion.

You can invest additional amounts by:

EITHER

Depositing funds directly to the Fund's bank account and either sending by facsimile to RBC Dexia Investor Services Trust (**RBC Dexia**) on +61 2 8262 5492 a completed application form or by sending a facsimile with the following details:

- the Fund name;
- your investor account ID;
- the additional investment amount;
- the date money was banked to the Fund's bank account; and
- a phone number where we can contact you during business hours in case we need to ask you any questions about your request.

OR

Sending us a cheque together with a completed application form or letter with the following details:

- the Fund name;
- your investor account ID; and
- a phone number where we can contact you during business hours in case we need to ask you any questions about your request.

We reserve an absolute discretion to accept additional investments by other methods.

If a properly completed and signed application form with cleared payment and satisfactory supporting client identification is received before 4:00pm Australian Eastern Standard Time (**AEST**), the application will usually be processed at the issue price based on the net asset value of the relevant Fund calculated as at the close of business on that Business Day. If the application request is received after 4:00pm AEST on a Business Day or on a non Business Day, provided the properly completed and signed application with cleared payment and satisfactory supporting client identification is received, the application will usually be processed at the issue price based on the net asset value of the relevant Fund as at the close of business on the following Business Day. The net asset value of a Fund is usually calculated on a daily basis. Details of how issue and redemption prices are calculated are set out in Section 13 "Issue and redemption prices" of the PDS.

If you do not wish to complete an application form for making an additional investment, you should keep this PDS (and any supplementary or updating document) for future reference. Any additional investments must be made in accordance with the PDS current at the time of the additional investment. You can request a copy of this PDS (and any supplementary or updating document) free of charge at any time by emailing, calling or writing to RARE.

You will be sent a unit holder statement setting out details of your investments within 7 Business Days of TIS accepting or rejecting your application for an initial or additional investment. You will also be sent a unit holder statement if you request one, free of charge and as soon as practicable after your request.

9. Is there a cooling-off period?

Cooling-off period

Subject to applicable law, retail investors have a right to a cooling-off period relating to their investment except for investments made under distribution reinvestment plans or other additional investment arrangements. There may be other circumstances in which a retail investor, having exercised its cooling-off rights, may not receive a full return of their investment; for example, if the Fund in which you are invested is not liquid at the time an investor's investment is made.

For retail investors only, your cooling-off rights are described below.

Immediately following the earlier of the date on which you receive confirmation of your investment or the 5th Business Day after the day on which your investment was issued to you, there is a 14-day period during which you may cancel your investment (subject to applicable law).

Should you choose to cancel your investment during this period, the amount returned to you will be adjusted to take account of any movements in investment values since the day on which you acquired the investment. The cancellation of your investment will be processed at the price that you would have paid for your investment on the date your request is received. We may deduct from the amount returned to you any reasonable administrative and transaction costs and tax paid or payable because of the issue, and cancellation, of your investment.

If a distribution has occurred between acceptance of your application and receipt of your cooling-off period notification, there may be taxation implications for you. We suggest that you seek professional taxation advice in these circumstances.

If you invest in a Fund by directing an IDPS Operator to acquire units in the Fund on your behalf, your rights to a cooling-off period are not exercisable in relation to us since you have not acquired a direct interest in that Fund. You should contact your IDPS Operator to find out what your cooling-off rights are.

If you wish to cancel your investment during the cooling-off period, you need to inform us in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

This notification should be sent to RBC Dexia at the address below:

RARE Infrastructure Value Fund - Hedged OR

RARE Infrastructure Value Fund - Unhedged

C/- RBC Dexia Investor Services Trust - Registry Operations

Attention: Unit Registry Department

GPO Box 4537

Melbourne VIC 3001

Australia

Should you have any questions with regard to our cooling-off policy, please contact us on +61 2 8243 0400.

10. Withdrawing your investment

Withdrawals - Direct Investors

Withdrawals from a Fund must generally be for a minimum of \$10,000 and leave a minimum holding of units having a value (based on the prevailing issue price) of at least \$500,000 in the relevant Fund after the withdrawal (subject to your right to make a complete withdrawal). Where an investor's unit holding falls below this minimum we may redeem the remaining holding in the relevant Fund in full after giving the investor 30 days notice in writing of our intention to do so. However, we reserve the right to vary the minimum withdrawal and minimum unit holding at our absolute discretion.

We may also compulsorily redeem your units in the following circumstances:

- if you have breached your obligations to us;
- to satisfy any amount due to us by you or we owe someone else relating to you (for example, to the tax office); or
- where we suspect that a law prohibits you from being an investor in the Fund.

Withdrawal requests can be made by writing to RBC Dexia and providing the following information:

- the Fund name;
- your investor account ID;
- the value or number of units to be redeemed;
- bank account details for the payment of the withdrawal amount; and
- a phone number where we can contact you during business hours in case we need to ask you any questions about your request.

Subject to the terms and conditions below, we will also accept requests for withdrawals by facsimile on +61 2 8262 5492 (the original must follow in the mail) provided we have no reason to believe the request is not genuine. Withdrawal requests will generally be processed based on the date the facsimile is received.

An investor who elects to make a facsimile request agrees with TIS to the following terms and conditions.

In making a facsimile request:

- you release us from, and indemnify us against, all losses and liabilities whatsoever arising from our acting in accordance with any instructions received by facsimile bearing your account number, investor account ID and a signature purportedly yours or that of an authorised nominee; and
- you agree that we are not responsible to you for acting on any instructions received by facsimile which appear to be, but are not in fact, authorised by you, and that a payment made in accordance with instructions received by facsimile will be in complete satisfaction of our obligation to you to make a payment, notwithstanding that it was requested without your knowledge or authority.

You must advise us in writing if you do not want us to act on facsimile instructions in relation to your account.

You or your authorised nominee must sign withdrawal requests.

In the case of companies, a withdrawal request must be:

- signed by two directors or a director and a company secretary of the company stating in which capacity each signatory signs; or
- if a proprietary company that has a sole director who is also the sole company secretary, or where there is no company secretary, signed by that director (need not be under seal) and state that the signatory is signing in its capacity as the sole director and company secretary (if applicable); or
- executed under the company's power of attorney (if applicable).

If the withdrawal request is received before 4:00pm AEST on a Business Day (and if required by law, with satisfactory client identification), the withdrawal will usually be processed at the redemption price based on the net asset value of the relevant Fund as at the close of business on that Business Day. If the withdrawal request is received after 4:00pm AEST on a Business Day or on a non Business Day (and if required by law, with satisfactory client identification), the withdrawal will usually be processed at the redemption price based on the net asset value of the relevant Fund as at the close of business on the next Business Day (details of how redemption prices are calculated are set out in Section 13 "Issue and redemption prices" of the PDS).

The proceeds of any withdrawal will usually be available within 7 Business Days and paid to the investor by direct credit to their nominated bank account. We reserve the right to delay redemptions where there are circumstances outside our control which we consider impact on our ability to properly or fairly calculate a unit price, or redemption requests of more than 20% of the net asset value of the relevant Fund. If we delay redemptions, the redemption price is the next calculated redemption price. It is our intention to manage each Fund so that it is "liquid" for the purposes of the Corporations Act. If a Fund is not sufficiently liquid then investors will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Corporations Act.

Master trust or wrap account investors (IDPS)

If you invest through an IDPS, you can only withdraw through the operator of that service in accordance with the terms and conditions of that service.

11. Distributions

Income distributions

Each Fund's constitution provides for distributions to be paid at least annually but we have the discretion to pay distributions more frequently. We currently intend that each Fund will distribute quarterly. It is our intention to distribute to investors by the 10th Business Day of January, April, July and October each year.

Each investor's distribution amount is calculated by dividing the total amount of the distribution by the total number of units on issue at the distribution date, and multiplying the result by the number of units held by each investor on that date. In each financial year, the full amount of taxable income available for distribution from each Fund is intended to be distributed to investors.

We may decide to make an interim distribution out of distributable income accruing during any interim distribution period and will inform investors accordingly.

Issue and redemption prices fall by the approximate amount of the distribution after each distribution period because the distribution reduces the relevant Fund's assets. If you invest just before the end of a distribution period, you may find you have some of your capital returned as income.

You may elect to have your distributions from a Fund:

- reinvested in further units in the Fund; or
- paid to you by direct credit to your nominated bank account.

If you do not make an election on the application form as to how you would like to deal with your distributions, you will be deemed to have made an application to have all distributions reinvested in further units in the relevant Fund. Any change to distribution instructions should be advised to RBC Dexia at least 10 Business Days before the end of the relevant distribution period.

Units issued for reinvested distributions will be priced using the next issue price calculated after the end of the relevant distribution period.

You are entitled to receive distributions in some additional circumstances (such as if a Fund ever terminated). If we decide to terminate a Fund, investors will participate in the distribution of any surplus after the satisfaction of the Fund's liabilities.

12. Switching your investment between the Funds

You may “switch” all or part of your investment out of the Hedged/Unhedged Fund and into Unhedged/Hedged Fund. Switching involves a redemption and application for units and so it may have tax consequences. You should consult your professional tax adviser before making any decision to switch. Please refer to Section 15 “What about tax?” of this PDS for information regarding the taxation implications of switching. If you would like to switch all or part of your investment in the Fund, you must complete a switching form and forward it to RBC Dexia for the amount you would like to switch. As this PDS may be updated or replaced from time to time, you should ensure that when switching, you have a copy of the current PDS. RARE will provide you with a copy of the current PDS free of charge on request.

Your switch may only be processed/accepted if, following the switch, the amount invested in a Fund remains equal to or greater than \$500,000 (or nil if you choose to switch your entire investment in a Fund). Similarly, the total amount of your investment in the Fund into which you would like to switch (including existing amounts in that Fund) must be equal to, or greater than \$500,000.

RARE will provide a switching form on request.

13. Issue and redemption prices

The net asset value, the issue price and the redemption price of each Fund is calculated each Business Day.

The issue price for a unit in either Fund is calculated as the value of the assets of the Fund, less the accrued expenses and other liabilities of that Fund (including the daily accrued management fee) as determined by us, divided by the number of units on issue, and adjusted by adding an amount to reflect transaction costs.

The redemption price for a unit in either Fund is calculated as the value of the fund assets, less the accrued expenses and other liabilities of that Fund (including the daily accrued management fee) as determined by us, divided by the number of units on issue, and adjusted by subtracting an amount to reflect transaction costs.

Unit pricing on applications and redemptions is carried out in accordance with each Fund’s constitution and TIS’ Unit Pricing Policy. If we were to exercise our discretion and change the current unit pricing process of a Fund, we must inform the unit holders of the relevant Fund of that exercise of discretion as soon as practicable.

A unit holder or a person who has been given or should have been given or has obtained this PDS for the Funds, may request a copy of the TIS Unit Pricing Policy free of charge.

14. Keeping you informed

All investors will generally be sent by mail:

- within 7 Business Days of the acceptance of an application for units or reinvestment of distributions, a confirmation providing details of the units issued or notice that the application has been rejected;
- within 7 Business Days of processing a withdrawal request, a confirmation providing details of the units redeemed;
- within 7 Business Days of each month end, a unit holder statement for that month where there has been a transaction in that month;
- within 10 Business Days of the end of each distribution period, a distribution statement;
- within 20 Business Days of 30 June, an annual tax statement;
- Within 20 Business Days of 30 June, an OMC (other management costs) and performance statement, if this information is not already provided to you with other unit holder statements;
- within 3 months of the financial year end, an annual report for that financial year;
- within 6 months of the financial year end, a periodic statement (if information has not already been provided to you); and
- as soon as practicable upon request, a unit holder statement showing transactions since the last unit holder statement.

Should 100 or more investors hold units in either Fund as a result of offers that gave rise to obligations to give product disclosure statements, the Fund will be subject to regular reporting and disclosure obligations.

TIS, as responsible entity of the Funds, intends to comply with its continuous disclosure obligations by following ASIC’s good practice guidance rather than lodging copies of documents with ASIC. Accordingly, should TIS, as responsible entity of a disclosing entity fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of its continuous disclosure obligations, TIS will ensure that such material information will become available as soon as practicable on the TIS website – www.treasurygroup.com and/or the RARE website at www.RAREinfrastructure.com.

Additionally, such information may be obtained from us in a printed form, free of charge within 5 days of receipt of your request.

If you are investing through an IDPS Operator, information and reports on your investment in the relevant Fund will be provided to you by the operator of that service, not by us.

15. What about tax?

Investing in managed funds - what about tax?

Investing and dealing with investments, has tax and often social security implications which can be complex, and which are invariably particular to your circumstances. This means that it is important that you seek professional taxation advice that takes account of your particular circumstances before you invest or deal with your investment. This discussion should serve only as a guide to the tax considerations that may arise, and only to Australian resident investors. Different tax considerations arise for non-resident investors.

The following summary in this section outlines the taxation that is based on the Australian tax laws as at the date of this PDS and is subject to change. Investors will be advised of any material impact as a result of any new or newly amended tax consideration (where is not already described in this section) on the Funds. It is important that investors seek professional taxation advice that takes account of your particular circumstances or personal objectives before you invest or deal with your investment.

The way managed funds are taxed

It is intended that no income tax will be payable by the Funds as they will distribute all the income of the Fund to unit holders annually.

The distributions from each Fund will include the income the Funds have generated from investing activities. The income will retain its character as it passes to the investors. As a result you may receive distributions that include interest, dividends (franked and non-franked) and other income and capital gains (discounted and non-discounted).

Foreign income tax credits

Australian resident investors may be entitled to claim foreign income tax offsets (FITOs) in respect of Funds with international investments that distribute amounts of foreign income (where foreign tax has been paid). FITOs are not cash receipts but need to be included in the calculation of a unitholder's taxable income. Unitholders may be able to offset the FITOs against their tax liability. However, the ability to use FITOs will be limited to the greater of either \$1,000 or the amount of tax payable in respect of the unitholder's foreign income.

Foreign Investment Funds regime has been repealed as at 1 July 2010.

Tax on your distributions

Australian resident investors are generally subject to tax on their share of the income of a Fund. This will also include amounts that are reinvested into a Fund.

The way in which investors are taxed will depend on the character of the distributions they receive. We will send you an Annual Tax Statement indicating the components of your distribution within 20 Business Days after the end of each financial year which will assist you in completing your tax return.

GST and managed funds

The issue of units in each Fund is not subject to GST. However, a Fund may pay GST on the services it acquires.

Fees and expenses payable by the Fund are subject to GST at the rate of 10%. Generally, Funds cannot claim full input tax credits for GST incurred on these services but may be entitled to a reduced input tax credit (RITC) equal to 75% of the GST payable. If the GST rate increases, or if the full amount of RITCs is not applicable, the Funds' constitutions allow us to recoup any extra amount from the relevant Fund.

Capital gains tax when you withdraw from a Fund

Australian residents who invest in either Fund are generally subject to capital gains tax on gains when they redeem units and withdraw any money from a Fund. Where the investor is regarded as a trader or institutional investor, such gains may be regarded as ordinary income. Individuals, trusts and complying superannuation entities may obtain partial capital gains tax exemptions in relation to the disposal of units and the capital gains portion of distributions.

Switching funds

Switching an investment from one Fund to another will constitute the redemption of the units in the original Fund and the re-investment of the proceeds into the new Fund.

The redemption of units will generally give rise to the taxation consequences described above in relation to the withdrawal from a Fund.

The acquisition of units in the new Fund will generally be the acquisition of a new investment, with a cost base equal to the amount paid in respect of the acquisition.

Quotation of Tax File Number (TFN) or Australian Business Number (ABN)

We recommend you provide your TFN / ABN on the application form for units in a Fund. If you choose not to and do not advise us that you have an exemption, we may be required to withhold or deduct tax from your distributions at the highest marginal tax rate, plus the Medicare levy, before passing on any distribution to you.

After 21 July each year, we cannot refund any TFN tax deducted in the previous financial year. By quoting your TFN or ABN you authorise us to apply it to your investment and its disclosure to the Australian Tax Office. Collection of TFN or ABN information is authorised, and its use and disclosure are strictly regulated, by the tax laws and under privacy legislation.

16. Anti-Money Laundering and Counter Terrorism Financing Act 2006

Under the AML/CTF Act, we may require additional information before processing applications and withdrawals. This includes information to verify a potential and/or existing investor's identity and any underlying beneficial owner of a potential and/or existing investor, including the source of any payment.

Where we request such information from a potential and/or existing investor, processing of applications or withdrawals may be delayed until the requested information is received in a satisfactory form. We may reject any application where such documents are not provided to RBC Dexia prior to lodgement of, or accompanying, the application form.

A transaction may be delayed, blocked, frozen or refused where reasonable grounds are established that the transaction breaches the law or sanctions of Australia or any other country. Where such a transaction is delayed, blocked, frozen or refused, we are not liable for any loss (including consequential loss to a potential or existing investor).

We may require additional information from a potential and/or existing investor to assist us in identification and verification processes, and may have to re-verify information.

Potential or existing investors should also be aware that under the legislation we are required to disclose information about suspicious matters to regulatory and/or law enforcement agencies and may be prevented from informing a potential and/or existing investors of such disclosure.

17. Our responsibilities to you

Each Fund is established under a constitution. Together with this PDS and certain laws (including the Corporations Act), the constitution governs our relationship with you.

The constitution deals with, amongst other things:

- the conditions under which the relevant Fund operates;
- the rights, responsibilities and duties of the responsible entity and investors;
- fees and expenses; and
- termination of the Fund.

Subject to a Fund's constitution and the law, your liability in relation to your investment in the Fund is limited to the amount (if any) subscribed and agreed to be subscribed. However, higher courts have not finally determined the extent of liability of investors in unit trusts.

Subject to the Corporations Act, the constitution limits our need to compensate you if things go wrong. Generally, if we comply with our duties as responsible entity of a Fund, then we do not need to compensate investors for any loss suffered in relation to that Fund.

We may amend the constitution if we, as the responsible entity, reasonably consider that the amendment will not adversely affect investors' rights. Otherwise, we must obtain the approval of investors (by special resolution) to make changes to the constitution at a meeting of investors.

You may obtain a copy of the constitution free of charge by contacting RARE.

If you are investing through an IDPS Operator, the constitution will not govern our relationship with you. Please see Section 19 'Master trust and wrap account investors' below for further information.

18. Enquiries and complaints

If you have a complaint about the service provided to you, please contact us and inform us of your concern. We will then undertake to resolve the matter quickly, fairly and in the strictest of confidence, in accordance with our complaints handling process.

Upon receiving your complaint an appropriate staff member will be allocated responsibility to resolve the matter. We will contact you within 10 Business Days to explain the resolution process and inform you of the staff member who will keep you updated on the progress of the investigation. It is our policy to resolve complaints as soon as practicable while not sacrificing the quality of the complaints handling process. Accordingly, we will endeavour to communicate a satisfactory resolution to you within 45 days of the initial contact.

You will not incur any charge for the handling of your complaint. If you are not satisfied with our response to your complaint, you have the right to use an external complaints resolution process. We are a member of Financial Ombudsman Service Limited (FOS) which is an external disputes resolution scheme. In order for a complaint to be considered by FOS, we must have at least 45 days to attempt to negotiate a satisfactory resolution with you.

FOS can be contacted by phone on 1300 780 808 (in Australia) or email info@fos.org.au to lodge a complaint or obtain further information about your rights. This service is free of charge for all clients of TIS, and we are required to assist FOS in the dispute resolution process and comply with its decisions in relation to a complaint.

Should you have any questions with regard to our complaints handling policy or wish to lodge a complaint, please call +61 2 8243 0400.

You can refer the matter in writing to:

Compliance Manager
Treasury Group Investment Services Limited
Level 5, Margaret Street,
Sydney NSW 2000

19. Master trust and wrap account investors

Potential investors may invest in a Fund by directing the operator of an investor directed portfolio service or investor directed portfolio service –like scheme (such as master trust, wrap account, a nominee or custody service) (**IDPS Operator**) to acquire units in one of the Funds on their behalf. We authorise the use of this PDS as disclosure for investors and potential investors who wish to access the Funds through an IDPS, where the operator has provided us with a written undertaking in accordance with ASIC requirements.

To make an investment through an IDPS Operator, complete an application form for that service. Do not complete the application form that accompanies this document.

For IDPS investors, the minimum initial and additional investment amounts shall be those specified by that IDPS Operator. If your initial investment was made through an IDPS, any additional investment should also be made through them.

If you invest through an IDPS, you can only withdraw through the operator of that service.

IDPS investors do not become unit holders in a Fund by directing the IDPS Operator to acquire units on their behalf. Accordingly, they do not acquire the rights of a unit holder of a Fund. The IDPS Operator acquires these rights and may exercise or decline to exercise them, on behalf of IDPS investors according to the arrangements governing the IDPS. Some provisions of Fund constitutions are not relevant for IDPS investors. For example, IDPS investors cannot attend meetings or transfer units.

20. The custodian and investment administrator

RBC Dexia has given, and has not withdrawn before the preparation date of this PDS, its written consent to be named in this PDS as the custodian and administrator for the Funds.

RBC Dexia's role as custodian is limited to holding assets of the Funds. As administrator, RBC Dexia is responsible for the day to day administration of the Funds. RBC Dexia has no supervisory role in relation to the operation of the Funds and has no liability or responsibility to you for any act done or omission made in accordance with the custody and investment administration agreements to which it is party with TIS. RBC Dexia was not involved in preparing, nor takes any responsibility for this PDS and RBC Dexia gives no guarantee of the success of the Fund nor the repayment of capital or any particular rate of capital or income return.

21. Privacy

We collect personal information from you in order to process your application and administer your investment and to provide you with information about your investment. We may disclose this information to RARE, RBC Dexia and companies that provide services on our behalf (e.g. printing statements which we send to you). We may also collect and disclose your information if the law requires or if you consent. If you think our records are wrong or out of date - particularly your address, email address or contact phone numbers - it is important that you contact us so we can correct them. Pursuant to the provisions of the Privacy Act 1988 (Cth), you are able to access the record of your personal information that we or RARE maintain. Should you wish to do so, please contact RARE.

You may choose not to complete all items on the application form. If you do not complete the application form in full we may not accept your application form. Further, we may not be able to process and administer your requested investment, or pay income into your bank account. The consequences of not providing your Tax File Number or Australian Business Number (or exemption) are noted in Section 15 'What about tax?'

A copy of TIS' and RARE's Privacy Policies are available on the RARE website.

22. Appointment of authorised nominees

A person, partnership or company may be appointed as an investor's authorised nominee by having the relevant section of the application form executed. The authorised nominee (if it is a company or partnership, including any person we reasonably believe is an authorised officer or partner) may provide investment instructions in respect of a Fund, prepare, sign and provide requests to redeem units in that Fund, advise of changes to your details in respect of your investment in the Fund, and obtain information about your investments in that Fund. This appointment can be cancelled at any time by notice in writing to us. All joint unit holders must sign the appointment or cancellation.

By appointing an authorised nominee the investor:

- releases, discharges and agrees to indemnify TIS, RARE, RBC Dexia and the relevant Fund from and against any and all losses, liabilities, actions, proceedings, accounts, claims and demands arising from the fraud, negligence or appointment of or purported exercise of powers by the authorised nominee or in connection with the use of the facility;
- agrees that a payment or purported payment (the payment) made in accordance with the requests or instructions of the authorised nominee shall be in complete satisfaction of the obligations of TIS, to the extent of the payment, notwithstanding any fact or circumstance including that the payment was requested, made or received without the investor's knowledge or authority; and
- agrees that if payment is made in accordance with the request or instructions of the authorised nominee, the investor shall have no claim against TIS, in relation to the payment.

23. Glossary

Actual Performance means, for the purposes of calculating a performance fee, the Mid Price at the end of a financial year less the Mid Price at the start of a financial year.

AFSL means an Australian Financial Services Licence.

AML/CTF Act means Anti-Money Laundering and Counter Terrorism Financing Act (Cth) 2006 and all subordinate legislation, as amended from time to time.

ASIC means Australian Securities and Investments Commission.

Benchmark means an accumulation index constructed and calculated by RARE comprising the OECD G7 Inflation Index plus 5.5% per annum.

Benchmark Return means, for the purposes of calculating a performance fee, the applicable Benchmark as at end of a financial year less the Benchmark as at the end of the previous financial year (or for the first performance fee period, 100), divided by the Benchmark as at the end of the previous financial year. The Benchmark Return is expressed in percentage terms.

Business Day means a day that is not a Saturday, a Sunday or a public holiday or bank holiday in New South Wales.

Client Identification means the identification documents required for application or withdrawal under the AML/CTF Act requested by us.

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time.

Daily means each Business Day.

FITOs means foreign income tax offsets.

Fund or Funds means either or both, depending on the context, of:

RARE Infrastructure Value Fund – Hedged (ARSN 121 027 709)
RARE Infrastructure Value Fund – Unhedged (ARSN 150 677 017)

GST means Goods and Services Tax.

IDPS means an investor directed portfolio service or investor directed portfolio-like services (such a master trust, wrap account or nominee service).

IDPS Operator means the trustee or operator of the IDPS.

Investor or unit holder means someone who invests in one or both of the Funds by acquiring units in that Fund.

Mid Price means, for the purposes of calculating the performance fee, the adjusted net asset value of a Fund (plus any distributions and prior to taking into account any accrued performance fee) divided by the number of units on issue. The Mid Price is calculated daily.

NAV unit price means, when used in the examples of effect of performance fee section, a net asset value unit price. The net asset value unit price is calculated as the value of the assets of the Fund, less the accrued expenses and other liabilities of the Fund (including the accrued management fees and accrued performance fees), determined by us, divided by the number of units on issue.

PDS means this Product Disclosure Statement.

USD means United States Dollars.

24. Important information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to these offers. If you need to make a complaint about these offers, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek advice of an appropriately qualified financial adviser.

The offers may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between the currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

General

During the currency of this offer document/PDS, we will provide you with copies of the relevant constitutional documents in respect of the Funds free of charge on your request. Should you wish to serve us with any documents, you may do so by delivering them to

Mr. Mark Todd or Mr. Haydn Wong

Partner

Bell Gully, Vero Centre

48 Shortland Street, Auckland, New Zealand

Messrs. Todd and Wong and Bell Gully have given, and not withdrawn before the date of this PDS, their consent to being named in the PDS as the address in New Zealand for service of documents on Treasury Group Investment Services Limited with regard to the PDS.

25. Completing the application form

Indicate whether you are a new or existing unit holder. If you are an existing unit holder, please include your investor account ID.

New investors need to complete all relevant sections. If you wish to appoint an authorised nominee, also complete the Appointment of authorised nominee, in Section 6 of the application form.

Existing unit holders quoting the investor account ID should also complete all relevant sections.

Trust and Company applications

Trust applications should be in the name of the trustee only, as simple notice of trust will not be accepted.

Company applications should be signed by two directors or a director and a company secretary of the company. If the company is a proprietary company that has a sole director who is also the sole company secretary, or if there is no company secretary that director needs to sign the application form and also tick the box indicating this.

Lodging Your Application

Application payments can be made either by cheque or direct credit.

For payment by cheque

Cheques should be made payable to:

RBC Dexia IS AN RARE Apps a/c <Name of Investor>

and sent together with the completed application form to:

RBC Dexia Investor Services Trust - Registry Operations

GPO Box 4537

MELBOURNE VIC 3001

For payment by direct credit

Payment should be credited to the following account:

Bank: ANZ Banking Group

BSB: 012 / 003

Account Name: RBC Dexia IS AN RARE Apps a/c
<Name of Investor>

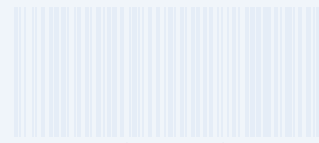
Account Number: 837 052 128

For additional investments, a completed application form (or written instruction) must be sent by facsimile to RBC Dexia on +61 2 8262 5492 by 4.00 pm (AEST) on the same day as the funds are banked. For further details, please see Section 8 "How to invest".

TIS HAS AN ABSOLUTE DISCRETION TO ACCEPT OR REJECT ANY APPLICATION.

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26. Detachable forms



Forms

Treasury Group Investment Services Limited
AFS Licence No: 227326
ABN: 38 099 932 920

Application for units:
RARE Infrastructure Value Fund - Hedged
RARE Infrastructure Value Fund - Unhedged
Page 1 of 10

Application for Units

This application form must not be handed to another person unless attached to or accompanied by the RARE Infrastructure Value Fund – Hedged and the RARE Infrastructure Value Fund – Unhedged combined Product Disclosure Statement (PDS) dated 30 June 2011. The PDS contains important information about investing in the Funds. You should read the PDS in full before applying for units in a Fund. On request, RARE Infrastructure Limited or Treasury Group Investment Services Limited will send you a copy of the PDS free of charge. Units in the Fund will only be issued on receipt of an application form which was issued together with the PDS. If you give another person access to this application form you must at the same time and by the same means give them access to the PDS and any updating materials.

To comply with our obligations under AML/CTF Act, we must collect certain information about each investor (and any authorised nominee where applicable), supported by certified copies* of relevant identification documents.

Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator (please contact us for a list of accredited translators).

* See “How to certify a document” in Section 7 of the Application Form.

Please provide all relevant documents as indicated duly certified. We cannot accept applications without these documents.

Please send the completed form to:
RBC Dexia Investor Services Trust - Registry Operations
GPO Box 4537
MELBOURNE VIC 3001 Australia

Applications by facsimile are only accepted from existing unit holders. Facsimile +61 2 8262 5492.

Adviser Use Only

Name of Adviser		
Phone		
Dealer Group		
Adviser Address (Correspondence)		
Adviser Email		
Adviser Signature		Adviser Stamp
Date	/ /	

OFFICE USE

- Applicant AML KYC Completed (including copies of documents collected)
- Value date confirmed

RARE Infrastructure Value Fund - Hedged RARE Infrastructure Value Fund - Unhedged

New Investor: Initial Investment

New Investor: Initial Investment

Existing Investor: Additional Investment

Existing Investor: Additional Investment

Investor Account ID:

Investor Account ID:

1. General

Name of investor as you would like it to appear on Register of Unitholders

Please tick one box to indicate type of investor and then complete the relevant part of this

Section 1.

- INDIVIDUAL** – Sections 1.1 + 2 to 7 + 8.1
- JOINT INVESTORS** – Sections 1.1 + 2 to 7 + 8.1
- COMPANY** – Sections 1.2 + 2 to 7 + 8.2
- TRUST/SUPER FUND** – Sections 1.1 + 1.3 + 2 to 7 + 8.1 + 8.3 (if trustee is individual)
- TRUST/SUPER FUND** – Sections 1.2 + 1.3 + 2 to 7 + 8.3 (if trustee is company and the trust is a registered managed investment scheme, regulated trust or government superannuation fund)
- TRUST/SUPER FUND** – Sections 1.2 + 1.3 + 2 to 7 + 8.2 + 8.3 (if trustee is company and the trust is not a registered managed investment scheme, regulated trust or government superannuation fund)
- PARTNERSHIP** – Sections 1.1 + 1.4 + 2 to 7 + 8.4 (if partners are individuals)
- PARTNERSHIP** – Sections 1.2 + 1.4 + 2 to 7 + 8.4 (if partners are companies)
- ASSOCIATION** – Sections 1.5 + 2 to 7 + 8.5 (if incorporated)
- ASSOCIATION** – Sections 1.1 + 1.5 + 2 to 7 + 8.5 (if unincorporated)
- GOVERNMENT BODY** – Sections 1.6 + 2 to 7 + 8.6

Please ensure an Authorised Nominee completes Section 6, if applicable.

Identification Documentation – Sections 7 and 8

Section 7 for requirements for certified documents.

Section 8 for AML/CTF Act Identification documentation.

We will not accept photocopies or facsimiles of a certified document.

It is not compulsory to provide your TFN. However, without your TFN or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare levy).

1.1. Individual Applicant/Joint Applicant

Applicant 1

Title	<input type="text"/>	Surname	<input type="text"/>
Date of Birth	<input type="text"/>	Given Names	<input type="text"/>
TFN	<input type="text"/>	Country of Residence for tax purposes	<input type="text"/>
Residential Address (This must not be a PO Box)	<input type="text"/>		
	State	<input type="text"/>	Postcode <input type="text"/>

If there is no Applicant 2, please cross out this section

Applicant 2

Title	<input type="text"/>	Surname	<input type="text"/>
Date of Birth	<input type="text"/>	Given Names	<input type="text"/>
TFN	<input type="text"/>	Country of Residence for tax purposes	<input type="text"/>
Residential Address (This must not be a PO Box)	<input type="text"/>		
	State	<input type="text"/>	Postcode <input type="text"/>

For Joint Applicants, indicate authorisation required for withdrawals*: Either to sign Both to Sign

*If no election is made, "Both to Sign" will be assumed. Persons receiving the PDS within Australia, but being a non-resident for tax purposes, should state their country of residence for tax purposes.

1.2 Company Applicant

Full Name of Company	<input type="text"/>		
ACN	<input type="text"/>	TFN	<input type="text"/>
Country of Residence for Tax Purposes	<input type="text"/>		

Is the company registered by ASIC as a Proprietary Company or a Public Company? (please tick appropriate box)

Registered Address	<input type="text"/>		
	State	<input type="text"/>	Postcode <input type="text"/>
Principal Place of Business in Australia	<input type="text"/>		
	State	<input type="text"/>	Postcode <input type="text"/>

If the company is an Australian listed company, write here the name of the relevant market/exchange it is listed on.

If the company is a majority owned subsidiary of an Australian listed company, write here the name of the Australian listed company and the name of the relevant market/exchange it is listed on.

Foreign Company

If the Applicant Company is a Foreign Company

ARBN issued by ASIC	<input type="text"/>
Registered address in country of origin	<input type="text"/>
	<input type="text"/>

Proprietary Company or Private Company

If a Proprietary or Private Company is an Applicant, please also provide:

Full name of each
Director of the Company

If insufficient space, please provide full names of all directors on a separate page and attach to this application form.

Tick here if you are including details of additional directors.

List the name and address of each beneficial owner of the company.

(A beneficial owner is an individual who owns, directly or indirectly through one or more shareholdings, more than 25% of the company's issued capital. Beneficial owners must be individuals and cannot be companies or trustees. There cannot be more than four beneficial owners of a company).

Beneficial Owner 1 -

Full Name

--

Residential Address

Beneficial Owner 2 -

Full Name

--

Residential Address

If the company has more than two beneficial owners, please provide additional details on a separate page that is marked with the name of the company and attach it to this application form.

Tick here if you are including details of additional beneficial owners.

1.3 Trust Applicant

If your trust has an **Individual/s as trustee/s**, please complete Section 1.1 with the trustee's details and this section with details of the trust.

If your trust has a **company/ies as trustee/s**, please complete Section 1.2 with the trustee's details and this section with details of the trust.

Full Name of Trust/Super Fund

Full Business Name of the Trustee

Contact

TFN

ABN

Country where trust established

Type of Fund

(eg managed investment scheme, regulated trust, government superannuation fund, other).

If "Other" trust type selected, please provide the following information:

The full name and address of each trustee of the trust

Trustee 1

Name

Address

Trustee 2

Name

Address

Note: If the trust has more than two trustees, please provide additional details on a separate piece of paper that is marked with the name of the trust and include it with this application form.

Tick here if you have included details of additional trustees.

If the terms of the trust identify the beneficiaries by reference to membership of a class, please provide details of the membership class (eg unitholders, family members)

OR

Provide details of each beneficiary in respect of the trust

	Full given Name (s)	Surname
1.	<input type="text"/>	<input type="text"/>
2.	<input type="text"/>	<input type="text"/>
3.	<input type="text"/>	<input type="text"/>
4.	<input type="text"/>	<input type="text"/>
5.	<input type="text"/>	<input type="text"/>

If the trust has more than five beneficiaries, please provide the additional details on a separate piece of paper which is marked with the name of the trust and include it with this application form.

1.4 Partnership Applicant

If your partnership has **individual partners**, please complete Section 1.1 with one partner's details and this section with details of the partnership.

If your partnership has **corporate partners**, please complete Section 1.2 with one partner's details and this section with details of the partnership.

Full Name of Partnership	<input type="text"/>			
Registered Business Name of Partnership (if any)	<input type="text"/>			
Registered Business Number of Partnership (if any)	<input type="text"/>	Number of partners	<input type="text"/>	
Registered address of Partnership	<input type="text"/>			
Country where Partnership established	<input type="text"/>			

If the Partnership is not regulated by a professional association, please provide details of each Partner in the Partnership.

Full given Name(s)	<input type="text"/>	Surname	<input type="text"/>		
Residential address	<input type="text"/>				
	No	Street	Suburb	State	Postcode
Full given Name(s)	<input type="text"/>	Surname	<input type="text"/>		
Residential address	<input type="text"/>				
	No	Street	Suburb	State	Postcode

If the partnership has more than two partners, please provide the additional partners' details on a separate piece of paper which is marked with the name of the partnership and include it with this application form.

1.5 Association Applicant

If your Association is unincorporated and an individual who is a member of your association is the applicant on behalf of the association, the applicant individual **must complete Section 1.1** with his/her details together with this section below with details of the partnership.

If your Association is incorporated, then the person making the application on behalf of the Association must complete the section below.

Full Name of Association	<input type="text"/>			
ID number issued on Incorporation (if any)	<input type="text"/>	TFN	<input type="text"/>	
Country of Residence for tax purposes	<input type="text"/>			
Registered Office (This must not be a PO Box)	<input type="text"/>			
	<input type="text"/>	State	<input type="text"/>	Postcode <input type="text"/>
Principal Place of Administration (This must not be a PO Box)	<input type="text"/>			
	<input type="text"/>	State	<input type="text"/>	Postcode <input type="text"/>

Name and full residential address of the Chairman or equivalent officer

Full Name

Residential Address
(This must not be a PO Box)

State

Postcode

Name and full residential address of the Secretary or equivalent officer

Full Name

Residential Address
(This must not be a PO Box)

State

Postcode

Name and full residential address of the Treasurer or equivalent officer

Full Name

Residential Address
(This must not be a PO Box)

State

Postcode

1.6 Government Body Applicant

Full name of Government Body

Principal Place of Operations

Please tick one category

Commonwealth of Australia Government Body

or

Australian State or Territory Government Body

or

Foreign Country Government Body

State

Country

2. Contact Details

Name of Primary Contact

Preferred address for correspondence

Phone (h)

Phone (w)

Fax

Email

3. How much to invest

Please note that the minimum direct initial investment is A\$500,000. The minimum additional investment is A\$10,000.

RARE Infrastructure Value Fund - Hedged A\$ Amount

RARE Infrastructure Value Fund - Unhedged A\$ Amount

Payment method: Cheque EFT Bank Deposit

Cheques should be made payable to: "RBC Dexia IS AN (RARE) Apps a/c <Name of Investor>"

4. Income Distribution Instructions

I/we elect to receive distributions by:

Please reinvest income

Please pay income to Australian bank/building society/credit union a/c

Name of institution

BSB

Address

A/C

Account Name

If no election is made, distributions will automatically be reinvested.

5. Declaration & Signature

- I / We have read and understood the attached PDS dated 30 June 2011 and this application form (as completed) and agree to be bound by the provisions set out in the PDS and each Fund's constitution, as amended from time to time.
- I / We are over 18 years of age.
- I / We declare that I am / we are not commonly known by any other names different to those disclosed in this application form.
- I / We declare any documents or information whatsoever used for verification purposes in support of my/our application are complete and correct.
- I / We agree to give further information or personal details to Treasury Group Investment Services Limited if required to meet its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and taxation legislation.
- These declarations are to apply to each application which I/we may from time to time make for units in each Funds or one of them, as if made in respect of each such application.
- I / We acknowledge that it may be a criminal offence knowingly to provide false, forged, altered or falsified documents or misleading information or documents when completing this Application.
- I / We acknowledge that neither Treasury Group Investment Services Limited nor any other party guarantees the repayment of capital, payment of income or the performance of the Funds.
- I / We acknowledge that if this is a joint application, our investment is as joint tenants.
- I / We acknowledge that the acceptance of my/our application form will be at the sole discretion of Treasury Group Investment Services Limited.
- I / We acknowledge that the information contained in the PDS is not investment advice or a recommendation that the Funds are suitable for my/our investment needs.
- I / We understand that I / we do not have to provide my / our Tax File Number, Australian Business Number or Australian Taxation Office Exemption Number, but if I/we do not, tax will be deducted from income distributions at the highest marginal rate plus Medicare Levy.
- If signed under Power of Attorney, the Attorney hereby declares that he / she is authorised under that Power to execute this document and has not received notice of revocation of that Power.

- If the applicant is a company and the application is not executed by Power of Attorney, the signatories declare that they are:
 - a. Two directors of the company; or
 - b. A director and company secretary of the company; or
 - c. For a proprietary company that has a sole director who is also the sole company secretary (or where there is no company secretary), that director.
- I/We acknowledge that if I/we make additional investments in the Funds, I/we have received the current PDS at the time of making the additional investment.
- This application form, once signed by me, holds me to a number of representations and warranties, among other things, relating to matters of which Treasury Group Investment Services Limited must seek confirmation in order to comply with the provisions of the Anti-Money Laundering and Counter Terrorism Financing Act 2006.

5.1. Applicant 1 / Director / Sole Director

Print Name	<input type="text"/>	Date	<input type="text"/>
Signature	<input type="text"/>		

5.2. Applicant 2 / Director / Sole Director

Print Name	<input type="text"/>	Date	<input type="text"/>
Signature	<input type="text"/>		
<input type="checkbox"/>	Please tick if sole Director and Company Secretary		

6. Appointment of authorised nominee

You may appoint an authorised nominee to act on your behalf, on the terms set out in Section 22 of the PDS dated 30 June 2011, by completing this section. An authorised nominee must be at least 18 years of age.

Strike out the following if not applicable

1. I / We hereby appoint:

(Full Name of authorised nominee)

PO Box / Street Address

<input type="text"/>	State	<input type="text"/>	Postcode	<input type="text"/>
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as my/our authorised nominee to do the following things in respect of my/our investment in the RARE Infrastructure Value Fund – Hedged, and/or RARE Infrastructure Value Fund – Unhedged:

- provide investment instructions in respect of the relevant Fund;
- prepare, sign and provide requests to redeem units in the relevant Fund;
- give directions in relation to payment of distributions;
- advise of changes to my/our details in respect of my investment in the relevant Fund; and
- obtain information about my/our investment in the relevant Fund.

2. Applicant 1

Signature

Date

3. Applicant 2 – (If there is no Applicant 2, please strike out this section)

Signature

Date

Strike out if not applicable

I agree to be bound by the provisions set out in Section 22 of the PDS dated 30 June 2011 under the heading “Appointment of authorised nominees” and I understand the terms of the Authorisation hereby given to me.

4. Authorised nominee

Signature

Date

Application Form Checklist

Incomplete information can delay the processing of your application. Please use the checklist below to confirm that you have provided the required information and documents.

- Completed the appropriate section (see “type of investor”) in Section 1.
- Completed Sections 2,3,4,5 and 8.
- If you are an authorised nominee of an investor, you have completed Section 6.
- Enclosed required documents outlined in Section 8 of this Application Form and certified as per Section 7 of this Application Form.

7. How to certify a document

To comply with our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act), we must collect certain information about each investor. In some cases, this information must be supported by a “certified copy” or “certified extract” of an identification document.

Details of a Certifier

Name

Address

Phone number

Category of Certifier (refer to list below)

Each document provided with this form must be certified by an acceptable certifier. **We will not accept photocopies or facsimiles of a certification.** A certified copy is a document that has been certified as a true and correct copy of an original document. A certified extract is an extract that has been certified as a true copy of the relevant information contained in the original document.

For documentation certified in Australia

Copies can be certified by any one of the following:

- an officer with, or authorised representative of a holder of an AFSL, having two or more continuous years of service with one or more AFSL holders
- an officer with two or more continuous years of service with one or more finance companies or financial institutions
- a permanent employee of Australia Post with two or more years of continuous service who is employed in an office supplying postal services to the public
- an agent of Australia Post who is in charge of an office supplying postal services to the public
- a justice of the peace
- a person who is enrolled on the roll of the Supreme Court of an Australian state or territory, or the High Court of Australia, as a legal practitioner (however described)
- a judge of a court
- a magistrate
- a chief executive officer of a Commonwealth court
- a registrar or deputy registrar of a court
- an Australian police officer
- an Australian consular or diplomatic officer
- a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership
- a notary public.

For documentation certified in a foreign country

Copies can be certified by either of the following:

- an Australian consular officer, or
- a notary public.

Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

Information to be provided on certified copies

Certifier's Details

The person signing the copy of any document must include the following details on each certified copy:

- the date of certification
- full name in block capital letters
- address
- telephone number
- the capacity (as noted above) in which certifier is signing, and
- an official stamp/seal of the certifier's organisation, if applicable.

Certifier's Declaration

Certifiers must include the following declarations, as appropriate, on each certified copy:

On the front page of every document

• **For all copies:**

"I certify that I have seen the original documentation and this copy (or, this and the following pages,) is a complete and accurate copy of that original".

• **For photographic documents:**

"I certify that I have seen the original documentation and that the photograph is a true likeness and this copy (or, this and the following pages,) is a complete and accurate copy of that original".

8. AML/CTF Identification Documentation

All relevant identification documents must be duly certified. We cannot accept applications without these documents.

Please refer to Section 7 for certification directions.

8.1 Individual/Joint Applicants	Please provide one Primary or two Secondary Documents.
Primary Documents	<ul style="list-style-type: none"><input type="checkbox"/> Please tick to indicate which one of the following documents is being provided for each investor:<input type="checkbox"/> Certified copy of a current Australian passport. For Australian passports only, we will accept a passport that expired within the two years prior to submitting this application form, or<input type="checkbox"/> Certified copy of a current foreign passport that shows your photograph, date of birth and signature. If your passport is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator, or<input type="checkbox"/> Certified copy of a current Australian driver's licence (must contain your photograph, date of birth and signature and include front and back of licence), or<input type="checkbox"/> Certified copy of a current card issued by an Australian state or territory for the purpose of proving a person's age (must contain your photograph, date of birth and signature and front and back of the card).

<p>Secondary Documents</p> <p><input type="checkbox"/> Australian documentation</p> <p>Or</p> <p><input type="checkbox"/> Foreign documentation</p> <p><input type="checkbox"/> Sole Trader</p>	<p>If you do not have any of the primary documents above, we will accept certain Australian or foreign documentation.</p> <p>Please tick below to indicate whether you are providing Australian or foreign documentation.</p> <p>Please provide one document from each of the groups below. Please tick below to indicate which document you are providing:</p> <p>Group 1</p> <p><input type="checkbox"/> Certified copy of an Australian birth certificate, or</p> <p><input type="checkbox"/> Certified copy of an Australian citizenship certificate, or</p> <p><input type="checkbox"/> Certified copy of a pension or health card issued by Centrelink</p> <p>And</p> <p>Group 2</p> <p><input type="checkbox"/> An original notice, showing your name and residential address, issued in the preceding 12 months by the Australian Taxation Office or any Australian Commonwealth, State or Territory Government body, or</p> <p><input type="checkbox"/> An original notice (such as an electricity bill or rates notice) showing your name and residential address, issued in the preceding 3 months by a local government body or a utilities provider.</p> <p>Please tick to indicate you are providing the documents from each of the groups below:</p> <p>Group 1</p> <p><input type="checkbox"/> Certified copy of national identity card issued by a foreign government, the United Nations (UN) or an agency of the UN (must contain your photograph date of birth and signature)</p> <p>And</p> <p>Group 2</p> <p><input type="checkbox"/> Certified copy of foreign driver's licence (must contain your photograph, date of birth and signature).</p> <p>If Applicant is a Sole Trader, please tick to indicate you are providing:</p> <p><input type="checkbox"/> a Business Name Search (if applicable)</p> <p><input type="checkbox"/> ABN number (if applicable)</p>
<p>8.2 Company</p>	<p>Please provide one of the following documents.</p>
<p>Domestic Company</p> <p>or</p> <p>Foreign Company</p>	<p>Please tick to indicate that you are providing:</p> <p><input type="checkbox"/> A search of the relevant ASIC database; or</p> <p><input type="checkbox"/> A search of the licence or other records of the relevant regulator; or</p> <p><input type="checkbox"/> A search of the relevant domestic stock exchange; or</p> <p><input type="checkbox"/> A public document issued by the relevant company (e.g. Annual Report);</p> <p>or</p> <p><input type="checkbox"/> Certified copy of a certificate of registration or incorporation issued by the relevant foreign registration body (must show full registered name of company, name of registration body, foreign company identification number and the type of company – private or public). If the certificate is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator.</p>

<p>8.3 Trust</p>	<p>Please provide a document in Group 1 or two documents in Group 2.</p> <p>(For registered managed investment schemes, regulated trusts or government superannuation funds, please select from Group 1).</p> <p>Please tick to indicate that you are providing:</p> <p>Group 1</p> <p><input type="checkbox"/> Search result downloaded from the relevant regulator’s website showing the full name of the trust, and that the trust is a registered scheme, regulated trust or government superannuation fund,</p> <p><input type="checkbox"/> A certified copy or relevant extract of the legislation establishing the government superannuation fund from a government website.</p> <p>or</p> <p>Group 2</p> <p><input type="checkbox"/> Certified copy or certified extract of the trust deed confirming the full name of the trust, or</p> <p><input type="checkbox"/> Notice (such as assessment notice) issued to the trust by the Australian Taxation Office within the preceding 12 months, or</p> <p><input type="checkbox"/> Letter from a solicitor or qualified accountant verifying the name of the trust</p>
<p>8.4 Partnership</p>	<p>Please provide the following documents</p> <p>Please tick to indicate that you are providing one of the following:</p> <p><input type="checkbox"/> Certified copy or certified extract of the partnership agreement; or</p> <p><input type="checkbox"/> Certified copy or a certified extract of minutes of a partnership meeting; or</p> <p><input type="checkbox"/> Original current membership certificate (or equivalent) of a professional association; or</p> <p><input type="checkbox"/> Membership details independently sourced from the relevant professional association; or</p> <p><input type="checkbox"/> Search of the relevant ASIC or other regulator’s database; or</p> <p><input type="checkbox"/> Notice issued by the Australian Taxation Office within the last 12 months, etc. Notice of Assessment (with TFN blocked out); or</p> <p><input type="checkbox"/> Certified copy of a certificate of registration of business name issued by a government or government agency in Australia.</p>
<p>8.5 Association</p>	<p>Please provide one of the following documents.</p> <p>Please tick to indicate that you are providing:</p> <p><input type="checkbox"/> Information provided by ASIC, state, territory or overseas body responsible for the incorporation,</p> <p><input type="checkbox"/> An original, certified copy or certified extract of the constitution or rules of the association,</p> <p><input type="checkbox"/> Reliable and independent electronic data that verifies the full name of the association</p>
<p>8.6 Government Body</p>	<p>Please provide one of the following documents.</p> <p>Please tick to indicate that you are providing:</p> <p><input type="checkbox"/> Certified copy of certificate/document confirming existence of government body; or</p> <p><input type="checkbox"/> Certified copy of register of government bodies including applicant body; or</p> <p><input type="checkbox"/> Certified copy of extract of legislation establishing body obtained from a reliable and independent source, such as a government website</p>

27. Contact details

Who to Contact

For Application and Redemption requests:

Treasury Group Investment Services Limited
c/- RBC Dexia Investor Services Trust - Registry Operations
GPO Box 4537
MELBOURNE VIC 3001 Australia

Facsimile: +61 2 8262 5492

To contact the issuer (TIS):

Treasury Group Investment Services Limited
Level 5, 50 Margaret Street
Sydney NSW 2000

Phone: +61 2 8243 0400
Facsimile: +61 2 8243 0410
Email: admin@treasurygroup.com
Internet: www.treasurygroup.com

For further information about RARE Infrastructure Limited and the Funds:

RARE Infrastructure Limited
Level 18,
1 York Street
Sydney NSW 2000
Phone: +61 2 9397 7300
Facsimile: +61 2 9397 7399
Email: operations@RAREinfrastructure.com
Internet: www.RAREinfrastructure.com

To make a complaint:

Compliance Manager
Treasury Group Investment Services Limited
Level 15, 50 Margaret Street
Sydney NSW 2000

Phone: +61 2 8243 0400
Facsimile: +61 2 8243 0410
Email: admin@treasurygroup.com
Internet: www.treasurygroup.com



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