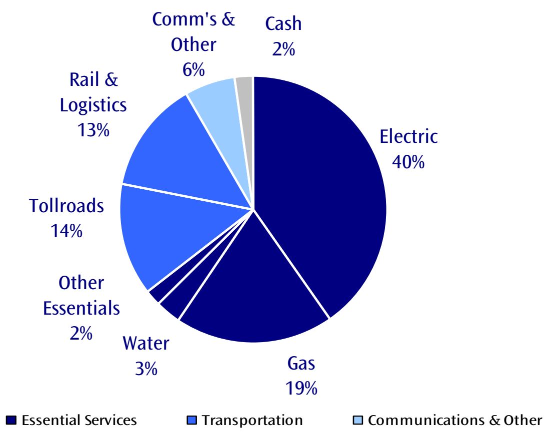
RARE Infrastructure Value Fund
August 2009

Performance Summary (total returns in AUD after fees)

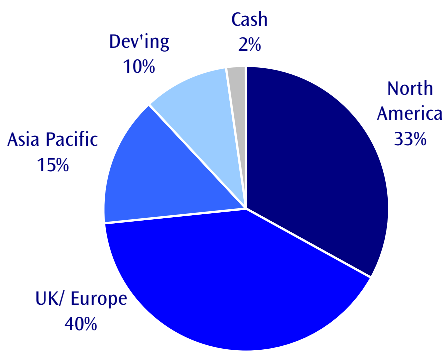
	This Month	Three Months	One Year	Two Years	Inception[1]
RARE Infrastructure Value Fund	3.3%	9.3%	-11.8%	-8.6%	-1.4%
Benchmark[2]	0.7%	2.0%	4.8%	7.0%	7.2%
MSCI World (Local Currency)	3.3%	11.1%	-15.4%	-14.2%	-4.4%

Overview of Fund Exposures and Portfolio Statistics

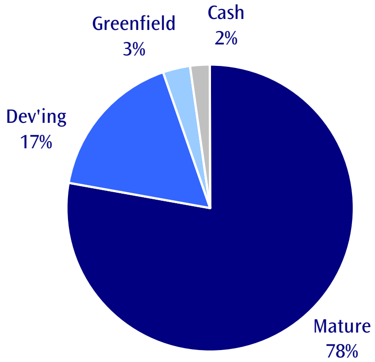
Sector Exposures[3]



Regional Exposures - by Listing



Maturity Exposures[3]



Portfolio Statistics

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

Dividend Yield	5.5%
EV[5]/ EBITDA[6]	8.6x
Interest Cover	4.7x
Gearing (Net Debt/ EV)	44.6%

Fund Details

Fund Size	$161m
Number of Holdings	37
Minimum Investment	$500,000[7]
Application Price	0.8504
Redemption Price	0.8461
Distribution Frequency	Quarterly
Distribution for June 09 (cpu)	0.7500 cpu
APIR Code	TGP0008AU
Morningstar Ticker	14651
Management Fee	1.025% per annum
Transaction Costs	0.25%
Performance Fee	10.25% of investment returns made in excess of the Benchmark
Benchmark Performance Performance	An accumulation index comprising the OECD G7 Inflation Index plus 5.5% per annum

1 Fund inception date 1 August 2006; Performance inception date 13 November 2006. Results Annualised
2 OECD G7 Inflation Index plus 5.5% pa
3 Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE Infrastructure
4 Based on weighted averages
5 EV means Enterprise Value (market capitalisation + preferred equity, if any + net debt)
6 EBITDA means earnings before interest, tax, depreciation & amortisation
7 If you invest through an IDPS operator such as a Master Trust or Wrap Account platform, this minimum may not apply to you

Market Commentary for the Month

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

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

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

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

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

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

Richard Elmslie & Nick Langley,
Senior Portfolio Managers

Portfolio Commentary

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

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

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

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

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

Overview of Fund Holdings

Top 10 Holdings	Weighting
ITC HOLDINGS CORPORATION	5.7%
SES	5.3%
ABERTIS INFRAESTRUCTURAS SA	5.1%
NATIONAL GRID PLC	5.1%
VINCI SA	4.8%
TRANSCANADA CORPORATION	4.6%
SHENZEN INTERNATIONAL HOLDINGS LIMI	4.5%
NORTHEAST UTILITIES	4.2%
SNAM RETE GAS	4.2%
SPECTRA ENERGY CORP	4.0%

Currency Exposure

Currency	Exposure (AUD m)	Hedge (%)
US Dollar (incl. HKD)	56.2	96%
Canadian Dollar	10.4	109%
Euro	47.5	96%
British Pound	12.9	100%
Brazilian Real	15.4	96%
Singapore Dollar	4.9	106%