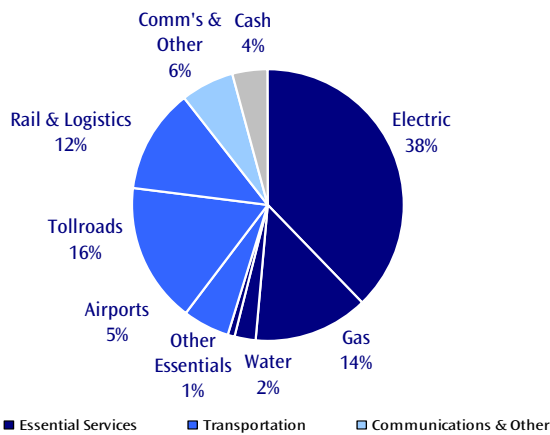
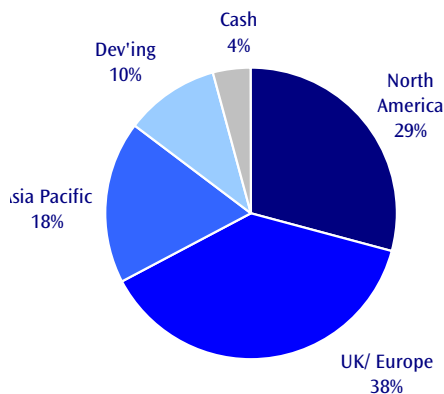
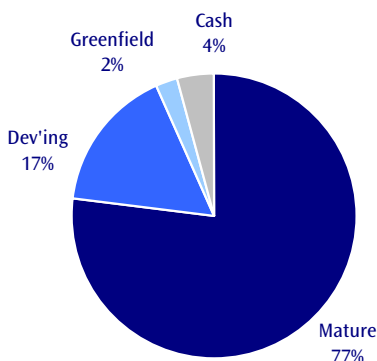


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	One Year	Three Year	Inception <sup>1</sup>
RARE Infrastructure Value Fund	0.8%	5.3%	27.7%	-0.5%	1.4%
Benchmark <sup>2</sup>	0.5%	1.4%	6.6%	7.5%	7.1%
UBS Global Infra & Utility 50/50 <sup>2</sup>	0.4%	3.6%	31.9%	-4.2%	-1.8%

**Overview of Fund Exposures and Portfolio Statistics**
**Sector Exposures<sup>3</sup>**

**Regional Exposures - by Listing**

**Maturity Exposures<sup>3</sup>**

**Portfolio Statistics**

Current statistics of the RARE Infrastructure Value Fund are as follows<sup>4</sup>:

Dividend Yield	5.1%
EV <sup>5</sup> / EBITDA <sup>6</sup>	8.7x
Interest Cover	4.7x
Gearing (Net Debt/ EV)	41.2%

**Fund Details**

Fund Size	\$270m
Number of Holdings	43
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	0.9074
Redemption Price	0.9029
Distribution Frequency	Quarterly
Distribution for Dec 09 (cpu)	1.2500
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	An accumulation index comprising the OECD G7 Inflation Index plus 5.5% per annum

**IMPORTANT NOTICE:**

Please note that the RARE Infrastructure Value Fund will move to a new Product Disclosure Statement (Issue 4), with amended application form and address details, from 31 March 2010. Any applications submitted on or after this date must be completed on the new application form. Please see the RARE website [www.rareinfrastructure.com](http://www.rareinfrastructure.com) for the most current PDS version.

<sup>1</sup> Fund inception date 1 August 2006; Performance inception date 13 November 2006. Results Annualised

<sup>2</sup> Benchmark is OECD G7 Inflation Index plus 5.5% pa, the comparative index is UBS Global Infrastructure & Utilities 50-50 Index (TR, AUD Hedged)

<sup>3</sup> Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE Infrastructure

<sup>4</sup> Based on weighted averages

<sup>5</sup> EV means Enterprise Value (market capitalisation + preferred equity, if any + net debt)

<sup>6</sup> EBITDA means earnings before interest, tax, depreciation & amortisation

<sup>7</sup> If you invest through an IDPS operator such as a Master Trust or Wrap Account platform, this minimum may not apply to you

## Market Commentary for the Month

Divergence in the global markets this month as the spotlight focused on sovereign debt issues and the markets suffered a bout of risk aversion. Developed markets (MSCI World, local) finished up 1.7% and emerging markets (MSCI EM, local) down 0.3%.

Markets (MoM%, local)	
S&P500	+2.9
EuroStoxx	-1.6
Japan	-0.6
Hong Kong	+2.4
Shanghai	+2.1
Brazil	+1.7
MSCI World	+1.7
MSCI EM	-0.3
Oil (USD)	+9.3

Top news stories for the month continued the focus on Greece's finances, including swap contracts with Wall Street banks that hadn't previously been disclosed. Expect this issue to continue to create volatility in global markets as concerns remain as to whether other countries may be saved/swamped. In the meantime, US unemployment unexpectedly fell (to 9.7%), the Fed increased the discount rate (to encourage banks to borrow from money markets rather than the Fed) and Obama's budget is seeking an extra USD1.7t in tax from the wealthy and businesses over the next decade.

**Infra Regulation.** Fraport (Germany, airport) announced it reached an agreement with airlines to increase fees by a better than expected 2.9% each year from 2012 to 2015. French tollroads increased prices by up to 0.5%. The UK energy regulator released a report considering ways to de-risk and achieve more timely investment in electricity and gas infrastructure over the next 10-15 years.

**Infra M&A.** Unlisted infra M&A activity declined 33% in 2009. 2010 appears busy with Ontario Teachers rumoured (and then denying) a bid for Northumbrian Water, Abu Dhabi acquiring 15% of Gatwick airport, ISA (Colombia, infra) agreeing a USD2.8b toll road deal with the government, Poland's treasury selling down 16% of Enea (utility), Morgan Stanley's infra fund buying 40% of Southern Star Central Gas and new toll road tenders launched in Ireland, Georgia (US), and Turkey.

**Infra Funding.** Busy month for financing with IPO's being considered for German and Russian rail/cargo companies and Ecorodovias (Brazil, tollroad). The EIB has loaned EUR100m for Spanish roads, lenders are in place for the EUR860m French Réunion Tram project, and Queensland Airports has rolled AUD190m at ~250bps over swaps. Separately, rating agency S&P expects Brazil will have to spend as much as USD500b over the next five years as it gears up to host the World Cup (2014) and Rio de Janeiro Olympics (2016).

**Other Infra News.** Massive air travel disruptions in February with snow storms in the US and strikes in the EU. French public investment group CDC is launching an infrastructure subsidiary.

## Portfolio Commentary

The RARE Infrastructure Value Fund outperformed its benchmark in February (0.8% vs 0.5%) and the UBS 50/50 (0.4%).

We have been cycling our names this month, taking profits from those that have run strongly (SES, NWG, CCR) and topping up names that have sold off (EDP, BRI, ABE).

Stronger performers for the month included (MoM% total return) SES Global (EU, satellites) +12, Union Pacific (US, rail) +12, Northumbrian (UK, water) +8 and Grupo Aero del Pacifico (Mexico, airport) +8.

The worst performers were Iberian names caught in the EU upheaval, and included (MoM% total return) Brisa (Portugal, tollroad) -14, Abertis (EU, tollroad & infra) -6 and EDP (Portugal, utility) -6.

We continue to work for companies with fundamental long term value, with strong balance sheets and strong management and supportive regulatory environments or long term contract.

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

## Overview of Fund Holdings

Top 10 Holdings	Weighting
ITC HOLDINGS CORPORATION	5.4%
ABERTIS INFRAESTRUCTURAS SA	5.1%
SES	4.6%
VINCI SA	4.5%
SHENZHEN INTERNATIONAL HOLDINGS LIM	4.4%
NATIONAL GRID PLC	4.4%
NORTHEAST UTILITIES	4.4%
TRANSCANADA CORPORATION	4.3%
RED ELECTRICA CORPORATION SA	4.0%
SPECTRA ENERGY CORP	3.4%

## Currency Exposure

Currency	Exposure (AUD m)	Hedge (%)
US Dollar (incl. HKD)	93.8	98%
Canadian Dollar	15.2	99%
Euro	83.7	98%
British Pound	18.2	107%
Brazilian Real	21.5	98%
Singapore Dollar	7.8	99%

### Important Information:

While the information contained in this report has been prepared with all reasonable care, RARE Infrastructure Limited ("RARE") accepts no responsibility or liability for any errors, omissions or misstatements however caused. This information is not personal advice. This advice has been prepared without taking account of your objectives, financial situation or needs. Treasury Group Investment Services Limited ("TIS") is the responsible entity for the RARE Infrastructure Value Fund (the "Fund"). Applications can only be made on the form in the current product disclosure statement dated 17 January 2007 for this Fund. The product disclosure statement can be obtained by contacting the RARE Infrastructure investment team on (02) 9397 7300, by fax (02) 9397 7399, by emailing invest@RAREInfrastructure.com or at www.RAREInfrastructure.com. Potential investors should consider the product disclosure statement before deciding whether to invest, or continue to invest in the Fund. The fact that shares in a particular company may have been mentioned should not be interpreted as a recommendation to buy, sell or hold that stock. Investors should be aware that past performance is not indicative of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. Potential investors should seek independent advice as to the suitability of the Fund to their investment needs. TIS may be contacted by writing to Level 5, 50 Margaret Street, Sydney, NSW, 2000, by telephone (02) 8243 0400 or by fax (02) 8243 0410. TIS receives an investment management fee of 1.025% per annum of the amount invested in the fund (including GST less the maximum applicable reduced input tax credits), which is the entire management fee, out of which responsible entity fees, investment management costs, ongoing administrative expenses and other fees will be paid.