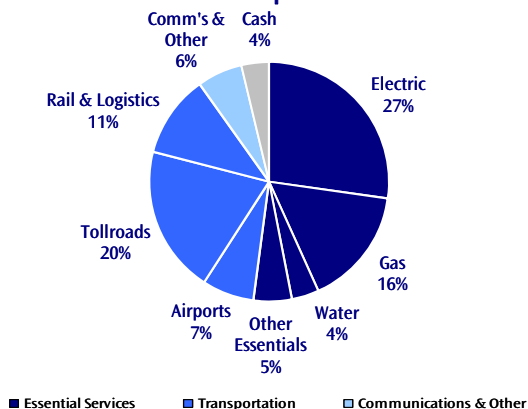
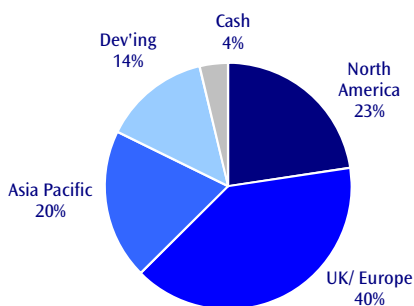
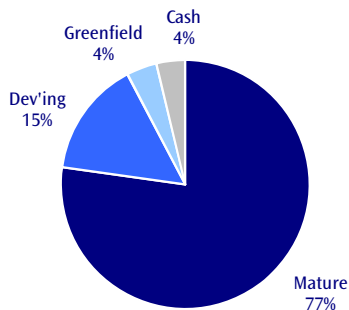


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	One Year	Three Year	Inception <sup>1</sup>
RARE Infrastructure Value Fund	1.4%	6.2%	18.1%	2.5%	5.1%
Benchmark <sup>2</sup>	0.5%	1.6%	6.9%	6.8%	7.1%
UBS Global Infra & Utility 50/50 <sup>2</sup>	3.0%	9.8%	16.3%	-0.2%	2.2%

**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	4.8%
EV <sup>5</sup> / EBITDA <sup>6</sup>	9.3x
Interest Cover	3.8x
Gearing (Net Debt/ EV)	41.2%
Total Portfolio Hedging	98.5%

**Fund Details**

Fund Size	\$415m
Number of Holdings	44
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	1.0177
Redemption Price	1.0126
Distribution Frequency	Quarterly
Distribution for Dec 10 (cpu)	1.0000
APIR Code	TGP0008AU
Morningstar Ticker	14651
Management Fee	1.025% per annum
Buy / Sell spread	0.25%
Performance Fee	10.25% of investment returns made in excess of the Benchmark. The performance fee will not exceed 0.30% of the net asset value of the fund in any year.
Benchmark	An accumulation index comprising the OECD G7 Inflation Index plus 5.5% per annum
Fund Status	Open

<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

Continued tensions in the Middle East and North Africa resulted in the MSCI World outperforming the MSCI EM by 3.9%. For the moment, the political upheaval remains isolated to the MENA region. However, markets remain concerned about the potential for it to spread.

The key indicator for the crisis is the price of oil (+2.9% for the month and still rising in March). Market concerns grow over the potential for a spike in energy prices to derail the recovery underway in developed markets.

### Infra Regulation:

\*Australian Energy Regulator (AER) draft decision for QLD gas distribution was in-line with expectations and precedents (including Victorian electricity distribution), the AER granted a WACC of 9.96%

\*The Spanish parliament approved legislation to allow nuclear plants to operate beyond their 40-year lifespan

### Infra M&A:

\*Abertis announced it is intending to spin off its Car Parks and Logistics businesses into a separate unlisted vehicle, Saba Infraestructuras. Shareholders have the choice to take an extraordinary dividend to be received in either Saba shares or cash. Saba is < 5% of equity value, but continues the Abertis aim of streamlining the business (post the 6.7% Atlantia Sale in January)

\*Spanish savings bank, Bancaja Inversiones, sold its 5% stake in Enagas through an accelerated book build

\*Mexico's Antitrust Agency has barred Asur from bidding on the new Riviera Maya airport project, in South Cancun. Asur currently operates an airport in nearby Cancun, which is Mexico's second busiest airport

### Infra Funding:

\*The Hutchison Whampoa IPO of its deep water ports in HK and nearby Yantian continues. It will keep 25% in the listed entity. The offering is USD4.9b-\$5.8b, with listing expected by end of March

\*EDP obtained a 15yr EUR300m loan from the European Investment Bank to help in the financing of two hydropower projects in Portugal

\*Spain successfully completed the securitization of EUR2b tariff deficit at a 5.1% cost (matures in June 2015). The cash will be immediately paid to Utilities, taking the total to EUR4b YTD (qtr of outstanding Dec 2011 amount)

**Other Infra News.** Asciano announced the signing of a further 3.5mtpa coal contract with Anglo Coal for 9.5 years, and QRN 6mtpa with Jellinbah Resources. Lenders to the M6 toll road in the UK have started selling their loans (around GBP50m in loans traded at ~25% discount), crystallising millions of pounds in losses. The Obama administration plans to bring a US\$556bn transport funding bill to the US Congress for rail and road projects over a six-year period as well as setting up a USD30b national infrastructure bank, however the issue of funding is contentious as the last transportation spending bill expired in 2009 and Congress has been unable to agree new legislation since then.

### Markets (MoM%, local)

S&P500	3.4%
EuroStoxx	2.0%
Japan	3.8%
Hong Kong	-0.5%
Shanghai	4.1%
Brazil	1.2%
MSCI World	2.4%
MSCI EM	-1.5%
Oil (USD)	2.9%

## Portfolio Commentary

In February RARE (+1.4%) outperformed its benchmark (+0.5%) but underperformed the UBS Infrastructure & Utility Index (+3.0%).

In our portfolio, the Electric (+58bps) and Gas sectors (+52bps) were standout contributors to performance for the month. Seaports (-29bps) and Logistics (-5bps) were the only sectors in negative territory.

In Stock terms, the major contributors were TransCanada (Canada, Pipelines) +33bps, SES (Europe, Communications) +21bps and Vinci (Europe, Toll Roads) +19bps. The major detractors from performance were DP World (Middle East, Port) -29bps and OHL Mexico (Central/South America, Airport) -10bps.

We added one new stock, Beijing Enterprises Holdings, into the portfolio during the month. The company owns Beijing Gas, which has over 3 million connected households, and also owns Water and Toll Roads assets.

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

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

## Overview of Fund Holdings

Top 10 Holdings	Weighting
VINCI SA	6.0%
TRANSCANADA CORPORATION	5.2%
ABERTIS INFRAESTRUCTURAS SA	5.1%
MAP GROUP	4.4%
NATIONAL GRID PLC	4.4%
SHENZHEN INTERNATIONAL HOLDINGS LIM1	4.3%
ITC HOLDINGS CORPORATION	3.9%
SPECTRA ENERGY CORP	3.7%
SES	3.6%
RED ELECTRICA CORPORATION SA	3.5%

### 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.