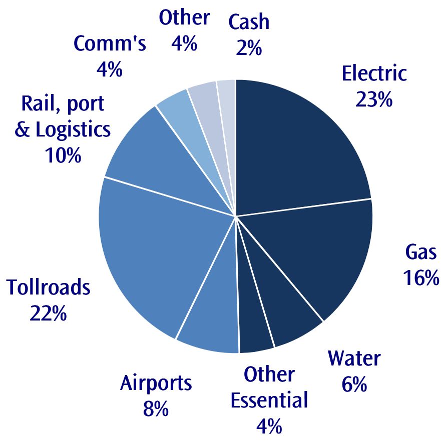
RARE Infrastructure Value Fund - Hedged
July 2011

Performance Summary (total return in AUD after fees)[1, 5, 6]

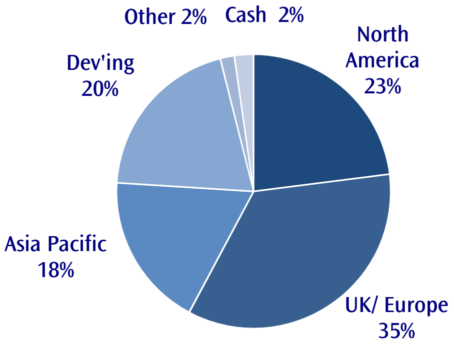
	This Month	3 months	1 Year	3 Years	Inception[7]
RARE Infrastructure Value Fund - Hedge	-2.4%	-0.7%	16.8%	5.4%	5.4%
BENCH:OECD G7 Inflation Index + 5.5%	1.0%	3.1%	8.3%	7.0%	7.4%
MSCI World Net (Local)	-2.5%	-5.3%	11.6%	0.3%	-1.0%
UBS Infra & Utilities 50-50 hedged (Net)	-1.6%	-0.9%	8.7%	-0.1%	0.3%

Overview of Fund Exposures and Portfolio Statistics

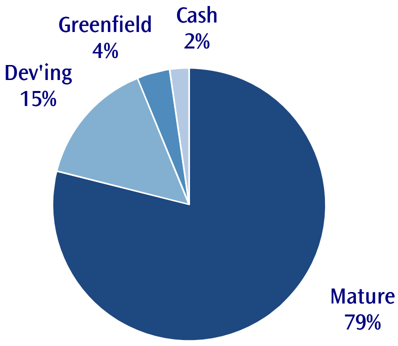
Sector Exposures[2]



Regional Exposure By Asset[2]



Maturity Exposures[2]



Portfolio Statistics[3]

Current statistics of the Fund are as follows:

Dividend Yield	5.2%
EV[4] / EBITDA[4]	9.3x
Interest Cover	4.1x
Gearing (Net Debt/ EV)	40.7%
Total Portfolio Hedging	100.9%

Fund Details

Fund Size	$433.1m
Number of holdings	44
Minimum Investment[8]	$500,000
Application Price	0.9851
Redemption Price	0.9782
Distribution Frequency	Quarterly
Distribution for Jun 11 (cpu)	5.1139
APIR Code	TGP0008AU
Morningstar Ticker	14651
Management Fee	1.025% per annum
Buy / Sell spread	0.45% / 0.25%

Performance Fee

10.25% of investment returns made in excess of the Benchmark and not exceeding 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

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

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

3 Based on weighted averages.

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

5 Fund Performance is net of fees (assumed at 1.025% annual, calculated as 0.08502% per month).

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

7 Performance inception date for RARE Infrastructure Value Fund - Hedged is 13/11/2006.

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

Market Commentary for the Month

Markets (MoM%, local)	
S&P500	-2.0%
EuroStoxx	-6.1%
Japan	0.2%
Hong Kong	0.2%
Shanghai	-2.1%
Brazil	-5.7%
MSCI World	-2.5%
MSCI EM	-1.3%
Oil (USD)	-0.3%

In July global markets ended down (MSCI World -2.5% and EM -1.3%) as concerns increased over some European countries' ability to finance debt obligations and in the US the risk of debt default increased. Although the US debt ceiling was increased, the risks to global growth stalling and continued concerns over some European countries' solvency and liquidity to worry investors.

Infra Regulation:
*Tiger Airways, a significant user of Melbourne Airport, was grounded for 30 days over several safety problems.

Infra M&A:
*In Spain, the government commenced the sale of airports and is hoping to raise USD7.5b.
*The Canada Pension Plan Investment Board sold its 12% stake in Transurban (Austrlian Tollroad) at AUD5.23, raising AUD903m
*ConnectEast (a portfolio stock) recommended a bid by its largest shareholder, CP2, and a group of global pension funds, to buy the Toll Road operator for a 22% premium. Shareholders are to vote in Septemnber.
*MAp and Ontario Teacher's Pension Plan reached a binding agreement on the asset swap proposed on 22 June 2011. Ontario will be paying AUD791m for MAp's Brussels and Copehagen Airport stakes, in exchange for OTTP's 11% Sydney Airport stake.
*NWG confirmed that it had received a 465 pence in cash offer for the Water company by CKI.

Infra Funding:
*MAp Airports will redeem AUD650m of Sydney Kingsford Smith Interest Earnings Securities (SKIES), a subordinated debt instrument issued by the parent company of Sydney Airport, Southern Cross Airports Corporation Holding. This is being done from recently raised senior debt.
*MAp announced Copenhagen Airports raised DKK5.3b (USD993m) of new debt facilities, evenly split between 5 and 7 year maturities. The proceeds will primarily be used to refinance the existing bank debt facility due to mature in Dec-2012, and to pay hedge break costs and refinancing fees.
*Australia's North Queensland Airports reached financial close on Monday 11 July on an USD569m (AUD529m) senior debt package to refinance the various acquisition facilities that were put in place at the time of the privatisation of Cairns and Mackay Airports in Dec-2008. The facilities will also fund ongoing capital expenditure for the next five years and provide working capital.
*Transurban has refinanced AUD520m of non-recourse project debt on its Eastern Distributor road in Australia. The new debt facility replaces AUD515m of debt that will mature between 2012 and 2016.

Other:
Dubai Airports announced that it received approval for a USD7.8b expansion programme of Dubai International that would boost capacity at the airport from 60 million to 90 million passengers a year.

Portfolio Commentary

In July RARE (-2.4%) underperformed its benchmark (1.0%), and underperformed the UBS Global Infrastructure & Utility 50/50 Index (-1.6%).

Over the month, Ports, Water & Airports were all flat, whilst Toll Roads (-105bps) and Electric (-92bps) were detractors from performance. By region, Asia Pacific Developing (+16bps) and Central/South America (+10bps) were the biggest contributors to performance, whilst UK/Europe (-210bps) and North America (-62bps) were the largest detractors.

In stock terms, ConnectEast (Asia Pacific Developed, Toll Road) +21bps and Auckland Airport (Asia Pacific Developed, Airport) +13bps were the largest contributors to return. The European Toll Roads, Abertis -49bps and Vinci -48bps were the largest detractors.

In the month, we added Hamburger Hafen (UK/Europe, Port), Emera (North America, Electric) and PG&E (North America, Electric), whilst selling out of Cez (UK/Europe, Electric).

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

Richard Elmslie & Nick Langley
Senior Portfolio Managers

Overview of Fund Holdings

Top 10 Holdings	Weighting
VINCI SA	5.0%
MAP GROUP	5.0%
ABERTIS INFRAESTRUCTURAS SA	4.1%
TRANSCANADA CORP	4.1%
SHENZHEN INTL HOLDINGS	3.2%
TCL	3.2%
SES	3.2%
NATIONAL GRID PLC	3.1%
SOUTHERN CO	3.0%
RED ELECTRICA CORPORACION SA	2.8%

Important Information:

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

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

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