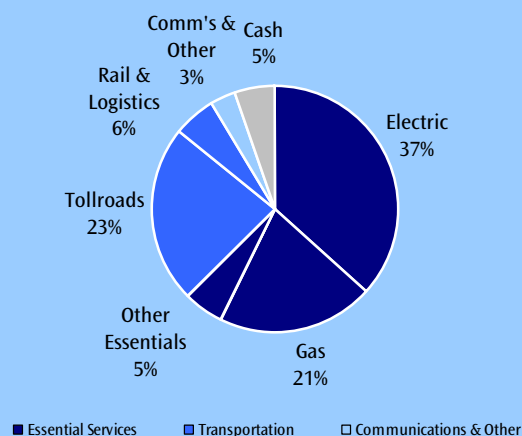
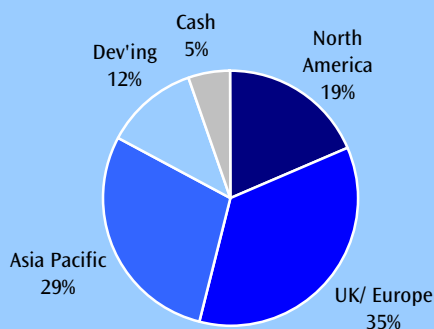
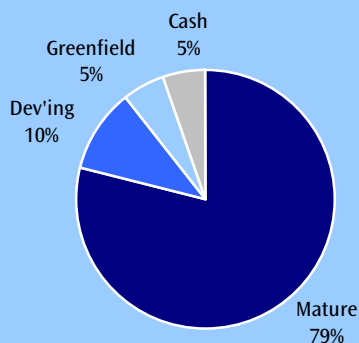


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	Twelve Months	Inception <sup>1</sup>
RARE Infrastructure Value Fund	2.6%	-5.1%	8.0%	11.3%
Benchmark <sup>2</sup>	0.9%	2.2%	8.4%	7.2%
Out/ (Under) Performance	1.8%	-7.3%	-0.4%	4.1%

**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	5.4%
EV <sup>5</sup> / EBITDA <sup>6</sup>	9.4x
Interest Cover	4.8x
Gearing (Net Debt/ EV)	34.7%
Asset Beta	0.49

**Fund Details**

Fund Size	\$115m
Number of Holdings	40
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	1.1203
Redemption Price	1.1147
Distribution Frequency	Quarterly
Last Distribution, Dec 07	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** An accumulation index comprising the OECD G7 Inflation Index plus 5.5% per annum

<sup>1</sup> Inception date 13 November 2006. Results Annualised

<sup>2</sup> OECD G7 Inflation Index plus 5.5% pa

<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

Global markets continued under pressure in February. In the US recessionary concerns increased following adverse news on the US economy including falling consumer confidence data, weak leading indicator and manufacturing figures and negative housing and services data (DJ -3.0%; S&P500 -3.5%; NASDAQ -5.0%). Financials were particularly weak as reported and assumed losses continued to negatively impact the sector. Brokers downgraded the sector, UBS flagged further mortgage exposure losses, insurer AIG increased its estimate of credit-derivatives portfolio losses and Warren Buffett proposed a bailout for bond insurers. Poor results from large retailers Home Depot and Wal-Mart indicated that broad based economic activity was slowing and the Fed has to balance this with the inflationary impact of sharply higher commodity prices, an oil price above US\$100/bbl (up 16% for the month) and a falling US dollar.

European markets fell by less than the USA (UK+0.1%; France -1.6%; Germany -1.5%; Italy -1.9%; Spain -0.4%) despite the ECB keeping rates steady at 4.0%. The relatively stronger UK performance is partly attributed to the 25bp rate cut to 5.25%, the second rate cut in two months, and partly due to strong Resources M&A activity with BHP/RIO (US\$147bn) Chinalco and Xstrata/Vale (US\$76bn). A better than expected performance from industrial cyclicals further cushioned the markets.

Asian markets appeared to ignore the concerns of other markets (Hong Kong +3.7%; Singapore +1.5%; Japan +0.1%; Korea +5.4%; Taiwan +11.9%) as investors took advantage of lower priced stocks. While economic indicators suggest a more modest growth outlook, the expectation is that there will still be solid growth in China and the region, especially as China appears to have the flexibility to time and fund massive domestic capital projects.

In Spain a consortium of 13 savings banks have created a new concessions operator, Concessia, which is expected to challenge Cintra and Abertis. DP World is set to acquire the Sokhna Port in Egypt for US\$670m. In Mexico the second road privatisation package was launched (30yr concessions with 3 brownfield and 8 greenfield projects valued at US\$1.0bn). Ocean Shipping Consultants report that China's ports face huge capacity constraints in the short term.

**Richard Elmslie, Investment Director**  
**Nick Langley, Investment Director &**  
**George Raftopoulos, Senior Portfolio Manager**

## Portfolio Commentary

The portfolio recorded a solid positive return for the month, which was significantly better than the 0.8% fall in global markets, as measured by the MSCI World Index.

Regionally, performance was positively impacted by its exposure to Latam (+7.3%) and OECD Asia Pacific (+0.4%) and negatively impacted by its exposure to North America (-2.2%).

On a sector basis, RARE benefited from its exposure to Toll roads (+0.9%) and Communications (+0.8%) and for having minimal exposure to the underperforming Logistics sector (-2.4%).

Profit taking in US Electric utilities in the latter part of the month resulted in small negative returns from Progress, Duke and Wisconsin Energy, while the perceived resolution to the B&B Power and Wind margin call related Tricom selling saw a strong rebound in these stocks. Announcements by Abertis and Vinci that there would be no increase to their respective stakes in Brisa and Aeroports de Paris resulted in a rebound in both stocks.

RARE continues to believe that global markets will be volatile, and continues to weight toward stocks that exhibit more defensive investment characteristics.

## Overview of Fund Holdings

### Top 5 Holdings

CINTRA CONCESIONES DE INFRAE  
BABCOCK AND BROWN WIND PARTNERS GROUP DEFERRED S  
SNAM RETE GAS  
SPARK INFRASTRUCTURE GROUP STAPLED SECURITIES FULLY  
VINCI SA

## Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
US Dollar (incl. HKI)	25.9	110.3%
Canadian Dollar	8.3	103.7%
Euro (incl. CZK)	38.5	101.4%
British Pound	2.0	113.0%
Brazilian Real	13.8	104.8%
Singapore Dollar	3.5	104.8%

### 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.