

Agenda

- Why infrastructure is such a big theme
- Why many Australian investors feel let down by infrastructure
- The difference between Australian and global listed infrastructure
- **The outlook for global listed infrastructure**
- About RARE

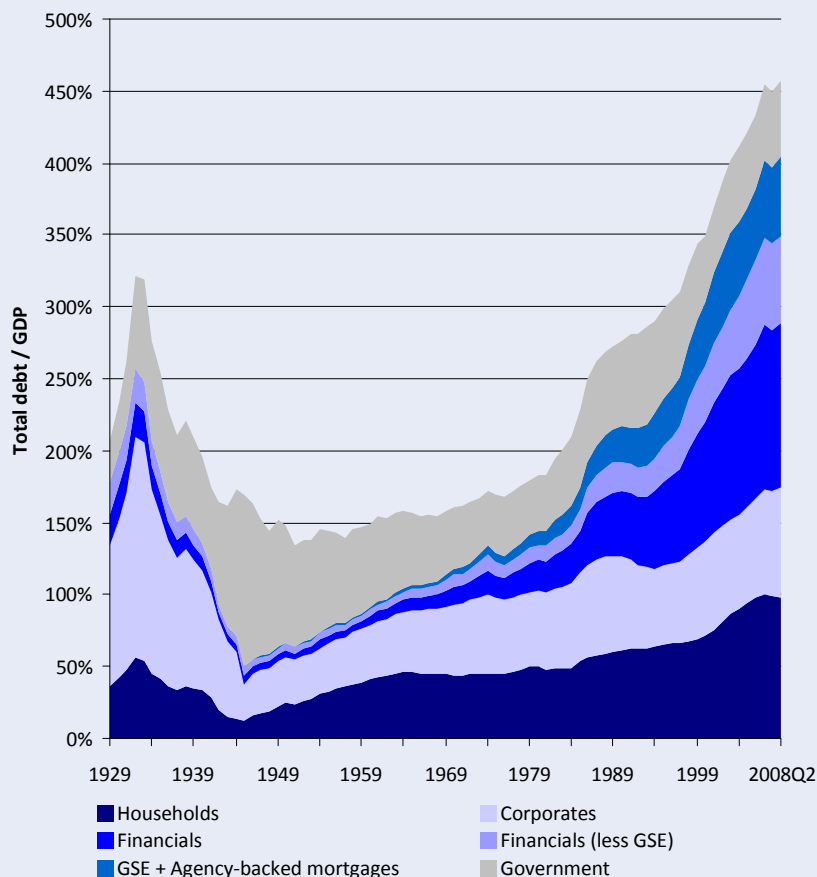
Outlook for Global Infrastructure

- Infrastructure is a 'defensive' asset class
 - it should outperform during classic recession driven bear markets
- However every recession/bear market is slightly different and 2008/2009 is no exception
- Infrastructure has outperformed relative to general equities but was still not immune to the credit crunch sell off in 2008
- 2009/10 asset class returns will be driven by the two global 'Mega factors'
 - De-leveraging and the debt super-cycle unwind
 - Global economic slowdown and the cycle of earnings downgrades

Macro Mega factors 1: De-leveraging

Debt super cycle unwind

Total US Credit Relative to GDP
(shown by debt/institution category, 1929 – 2008)



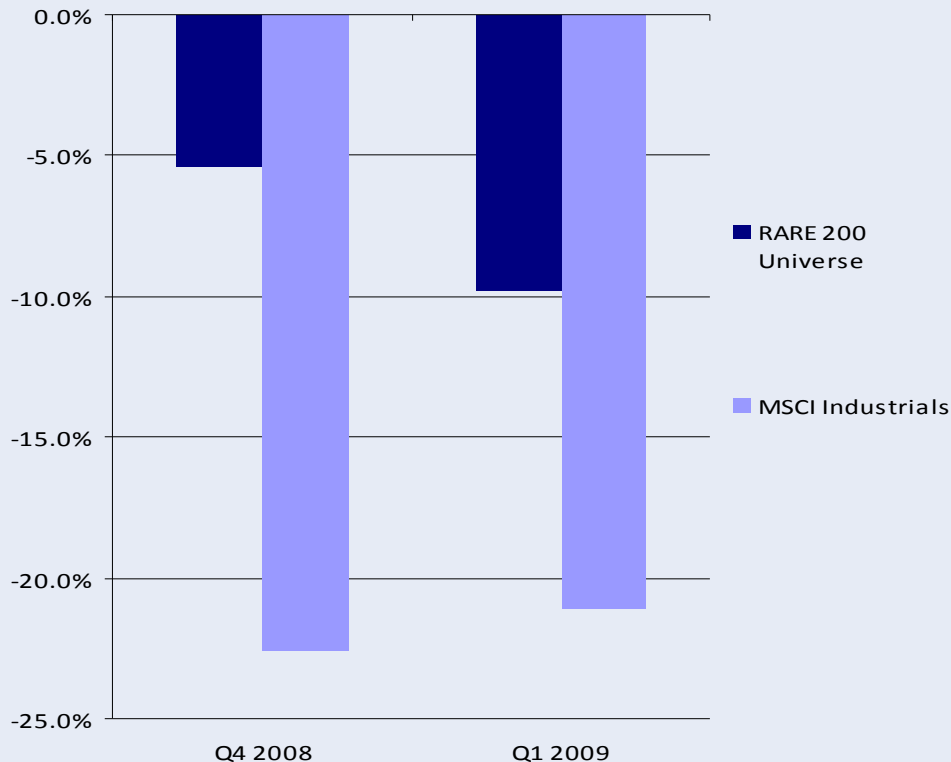
Debt Super Cycle

- Could be in first major deleveraging cycle since the Great Depression
- Major deleveraging in US non-Govt debt occurred 1930 – 1935
- Only really recovered going into WWII, US Govt took on significant debt
- Globalisation of finance spreads problem around the world
- Investors need to position for the risk of a sustained period of constrained credit

Macro Mega factors 2: Recession

Earnings revisions

Earnings revisions – Infrastructure vs
General equities
(Change in broker consensus 09 earnings over the period)



- Since end of Q3 2008, expectations for 2009 RARE200 earnings have fallen an average of 13% compared with a 39% fall in expectations for MSCI Global Industrials (ex financials)
- This is consistent with RARE's view that earnings revisions lag economic expectations by up to 6 months through a recession
- Still some prospect for further downgrades in economically sensitive sectors

Attractions of Infrastructure in the current market

- RARE believes that Infrastructure assets are attractive in the current environment – especially given the current ‘Macro Mega factors’
- De-Leveraging:
 - Most global infrastructure assets
 - have strong balance sheets
 - comfortable interest coverage and
 - therefore have no reason to reduce debt in a hurry through asset sales
 - Infrastructure assets have continued to access the debt markets through the credit crunch to refinance debt and fund capex
- Global recession:
 - Infrastructure asset earnings are less exposed to economic cycles
 - leads these assets to outperform through the recession cycle
 - Incentives and funding for Infrastructure assets has formed a core part of many Government stimulus packages announced in response to the Slowdown

Conclusion

- Infrastructure investment is a core part of economic stimulus packages in the US, UK, France, Australia, China and others
- Global listed infrastructure has much broader applicability to investors, not just to HNW/sophisticated investors
- There are often differences between Australian and global listed infrastructure stocks:
 - Simple companies
 - More choice of companies
 - Management strategies focus on operations and long term
- Strong outlook for infrastructure stocks in context of:
 - “de-leveraging”
 - earnings resilience

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Overview of Business

Who is RARE?

- Established in 2006, RARE is a fund manager focussed only on global infrastructure
- RARE's current FUM, with commitments, is circa AUD1.2 billion
- Owned 40% by Treasury Group (TRG) & 60% by staff
- TRG is listed on the ASX & it invests in fund managers. As at 31 December 2008 it had AUD10.4b in FUM through 6 managers
- TRG provides non-investment services to RARE
 - compliance & risk management
 - operations
 - accounting & administration
 - marketing
- The RARE team
 - is one of the most experienced global infrastructure teams - over 70 years combined global infrastructure experience.
 - comprises of eight professionals located in Sydney

RARE Infrastructure Value Fund

Research House ratings

S&P	4 Stars
Zenith	Highly Recommended
Morningstar	Recommended
Lonsec	Investment Grade
ING Financial Facts	Recommended
Van Eyk	B (currently under review)

RARE Infrastructure Value Fund

Platform availability

- Available on the following platforms:
 - ASGARD Master Trust and eWRAP
 - BT Investment/Super Wrap
 - Macquarie
 - ING One Answer
 - Bridges – The Portfolio Service
 - Avanteos
 - AXA Summit/iAccess
 - Commsec

- Plus there is a “retail” version – the “RARE Series”

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Appendices

- Portfolio Review
- Fund performance
- RARE Infrastructure Value Fund Product Characteristics

Portfolio Review

Top stocks & portfolio statistics as at 28 February 2009

Top Stocks

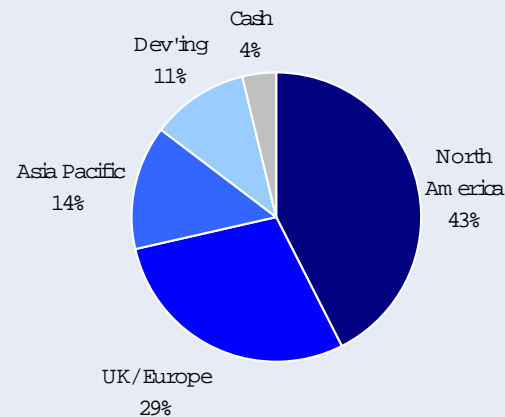
Name	Weight
Enbridge	5.7%
ITC	5.7%
National Grid	5.1%
Wisconsin Energy	4.9%
Transcanada Corp	4.8%
Spectra Energy	4.5%
Singapore Post	4.2%
SES	3.9%
Progress Energy	3.8%
RED Electrica	3.7%

Portfolio Statistics

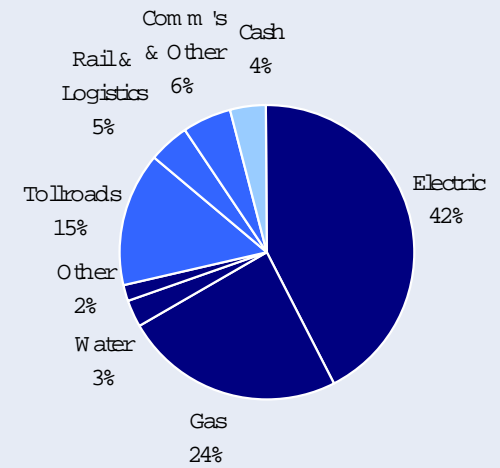
Key statistics of the current portfolio are as follows¹:

Dividend Yield	6.6%
EV/ EBITDA	7.9x
Interest cover	3.8x
Gearing (Debt/ EV)	41.1%

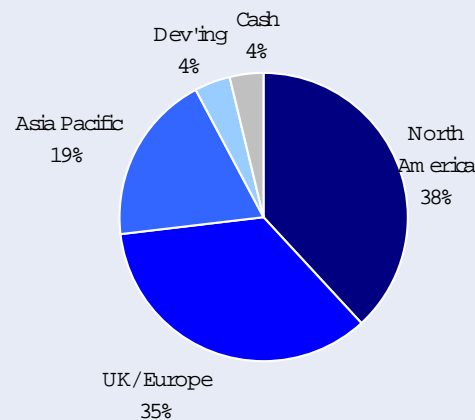
Region - Asset



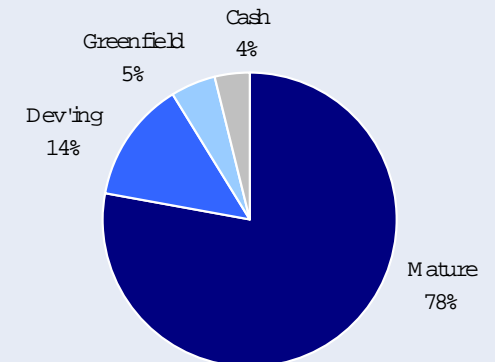
Sector



Region - Listing

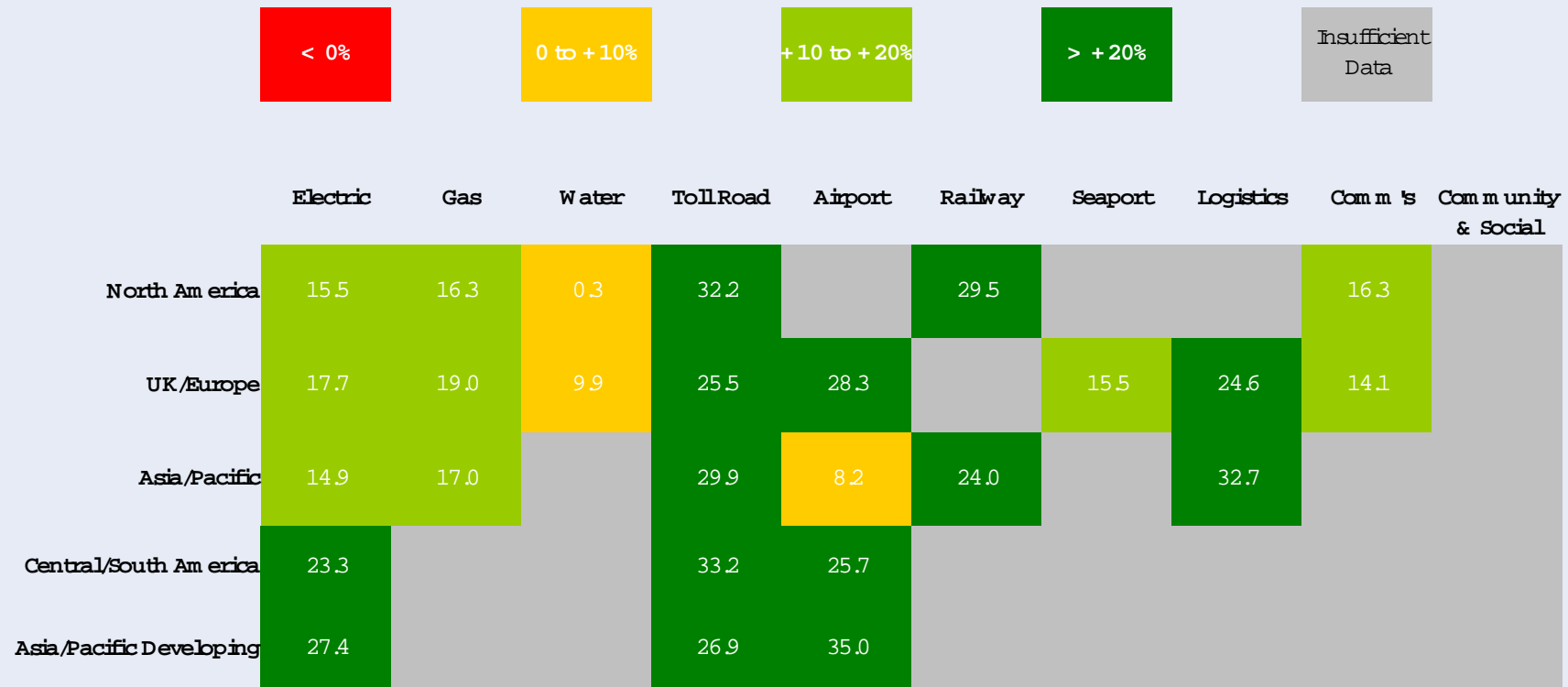


Maturity



Portfolio Review

Expected five year Equity IRR – RARE Universe ¹



¹ Local currency expected returns as at 6 February 2009.
Source: RARE Infrastructure

Portfolio Review

Fund Performance

	3 months ended 31 Mar 2009	12 months ended 31 Mar 2009	24 months ended 31 Mar 2009	Since Inception¹
RARE Infrastructure Value Fund				
Fund Performance (Net of Fees) ²	-7.0%	-24.6%	-13.2%	-7.8%
Benchmark: G7 inflation + 5.5% ³	-1.2%	6.2%	7.2%	6.8%
MSCI World (local currency) ⁴	-8.6%	-37.0%	-23.4%	-15.3%

1 Annualised performance, since inception November 2006

2 Sourced from RBC Dexia holdings, and valuation, GIPS methodology, RARE calculations

3 Calculated by RARE reviewed by RBC Dexia

4 MSCI AC World Daily TR Gross Local, sourced from Bloomberg

RIVAF Product Characteristics

Investment universe	“RARE200”, listed only
Benchmark	OECD G7 inflation + 5.5%
Currency	Fully hedged
MER	1.025% (RIRSVF 1.23%)
Performance Fee	10.25% of returns in excess of Benchmark, subject to high water mark
Buy/sell spread	0.25%/0.25%
Minimum investment	\$500,000 (RIRSVF \$20,000)
Expected income	4% - 6%
Expected total returns	10-11% over full investment cycle

Important Information

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- 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 investment to their investment needs. The fact that shares in a particular company or asset class may have been mentioned should not be interpreted as a recommendation to either buy, sell or hold that stock.
- RARE has been granted Australian financial services licence 307 727.
- The RARE Infrastructure Value Fund is open to investors as at the date of this presentation. Treasury Group Investment Services Limited (“TIS”) is the responsible entity for the RARE Infrastructure Value Fund. Applications can only be made on the application form in the product disclosure statement for that fund. The product disclosure statement is available on www.RAREinfrastructure.com or by contacting RARE. Potential investors should consider the product disclosure statement before deciding whether to invest, or continue to invest, in the fund.
- Any prospective financial measures referred to in this presentation constitute estimates which have been calculated by the RARE investment team based on RARE’s investment processes and research.
- Richard Elmslie and Nick Langley are representatives of RARE. Matt Dell is a representative of TIS.