

Performance Summary¹ (returns in AUD after fees)

RARE Infrastructure Value Fund

Benchmark (*OECD G7 Inflation Index plus 5.5% pa*)

Out/ (Under) Performance

¹ Preliminary performance figures

This Month
Inception

2.80%

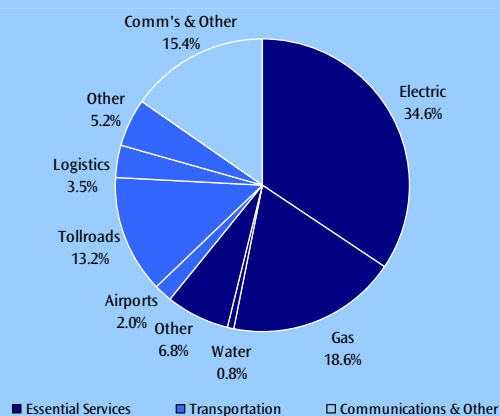
4.15%

0.14%

0.58%

2.66%

3.57%

Overview of Fund Exposures and Portfolio Statistics
Sector Exposures²

Portfolio Statistics

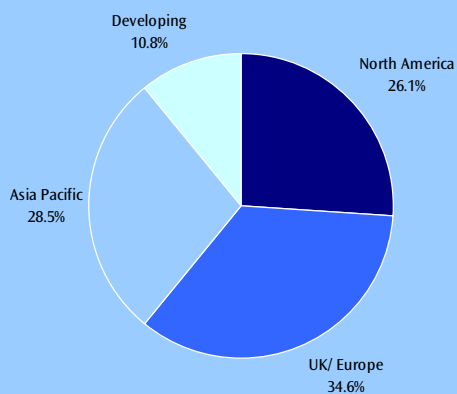
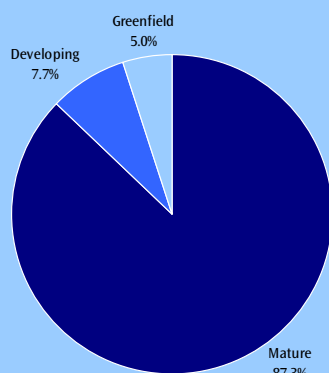
Current statistics of the RARE Infrastructure Value Fund are as follows³:

Dividend Yield	4.1%
EV ⁴ / EBITDA ⁵	9.6x
Interest Cover	5.0x
Gearing (Net Debt/ EV)	34.5%
Asset Beta	0.54

³ Based on weighted averages

⁴ EV means Enterprise Value (market capitalisation + preferred equity, if any + net debt)

⁵ EBITDA means earnings before interest, tax, depreciation & amortisation

Regional Exposures²

Maturity Exposures²

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

Fund Details

Fund Size	\$2.2m
Number of Holdings	30
Minimum Investment	\$500,000 ⁶
Application Price	1.0421
Redemption Price	1.0369
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

⁶ If you invest through an IDPS operator such as a Master Trust or Wrap Account platform, these minimums may not apply to you

Market Commentary for the Month

Global markets moved ahead in December, driven by a combination of positive company news, lower oil prices and on-going M&A activity. In the US weaker economic manufacturing (ISM, Philli) and construction indicators coupled with higher producer prices limited market gains however positive consumer confidence numbers and a recovery in home sales pushed the markets higher. US stocks finished modestly ahead (DJ 2.3%, S&P500 1.7%, NASDAQ -0.3%) with strong gains in large cap stocks GE (increased dividend), Citigroup (M&A), IBM (contract success) and Honeywell (solid earnings outlook). M&A activity in banking (Bank of New York/Mellon Financial) and telcos (AT&T/Bell South) further underpinned the market.

European markets recorded relatively stronger growth than the US (FTSE 3.2%, Germany 4.8%, France 4.1%) supported by on-going potential M&A activity in insurance (Swiss Life), steel (Arcelor-Mittal, Corus), telco (France Telecom) and oil and gas (Norsk Hydro/Statoil). Other strong European performers included ThyssenKrupp (solid results) and EADS (positive production report).

Asian markets delivered strong results for the month (Nikkei 5.8%, Hong Kong 5.3%, Singapore 4.7%) on the back of easing oil prices and solid economic growth indicators. Thailand's market exhibited extreme volatility as the new military government firstly introduced new foreign currency controls to reduce speculation and then removed the controls following sharp falls in Thai stock prices and the Baht.

The infrastructure sector had a mixed month, with announced proposed "adverse" regulatory changes in Spain pushing power utility stocks lower, the Sydney Cross City Tunnel going into liquidation and delays in the Lane Cove Tunnel opening while the UK Transport Secretary expected airline passenger numbers to double by 2030 and suggested that airlines be forced to pay for the environmental cost. On the positive front the European Commission has approved the acquisition of Budapest Airport by the Hochtief AG-led consortium.

Overview of Fund Holdings

Top 10 Holdings

ADP Promesses
 Brisa Auto Estradas
 Cintra Concesiones
 Diversified Utility & Energy
 Duke Energy
 Electricite de France
 Eutelsat Communications
 SES Global
 SP Ausnet
 Vinci

Top 5 Performers

ADP Promesses
 Brisa Auto Estradas
 Electricite de France
 SES Global
 Zhejiang Expressway

Bottom 5 Performers

Altagas
 Enagas
 Eutelsat Communications
 Fortum Corporation
 RWE AG

Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
USD (inc China, HK)	0.3	97
Euro	1.0	93
Singapore Dollar	0.1	96
Canadian Dollar	0.2	91
Other	0.3	-

Important Information:

While the information contained in this report has been prepared with all reasonable care, Treasury Group Investment Services Limited ("TIS") 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 and issuer for the RARE Infrastructure Value Fund (the "Fund"). Applications can only be made on the form in the current product disclosure statement dated 1 November 2006 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.

TIS has entered into a Consultancy Agreement with RPENJL Limited ("RPENJL") (the "Consultancy Agreement") for the provision of securities analysis and recommendations. The staff of RPENJL engaged in the provision of these services to TIS undertake these activities as authorised representatives of TIS. TIS pays a consultancy fee to RPENJL under the Consultancy Agreement.

If you would like further information about the performance of the Fund please feel free to contact the RARE Infrastructure investment team. RARE's contact details can be found at www.RAREinfrastructure.com, or by telephoning (02) 9397 7300, by fax (02) 9397 7399 or by emailing invest@RAREinfrastructure.com.