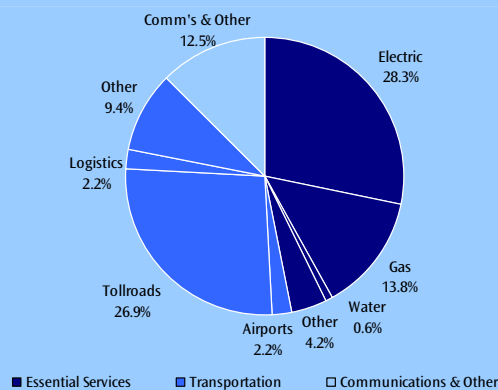


**Performance Summary** (returns in AUD after fees)

	This Month	Two Months	Inception <sup>1</sup>
RARE Infrastructure Value Fund	2.18%	5.04%	6.42%
Benchmark ( <i>OECD G7 Inflation Index plus 5.5% pa</i> )	0.17%	0.31%	0.70%
Out/ (Under) Performance	2.01%	4.73%	5.72%

<sup>1</sup> Inception date 13 November 2006

**Overview of Fund Exposures and Portfolio Statistics**
**Sector Exposures<sup>2</sup>**

**Portfolio Statistics**

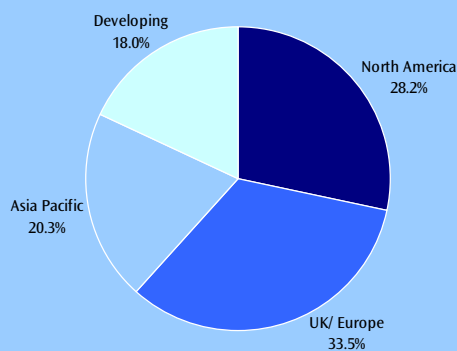
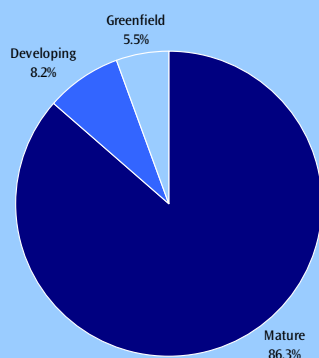
Current statistics of the RARE Infrastructure Value Fund are as follows<sup>3</sup>:

Dividend Yield	3.8%
EV <sup>4</sup> / EBITDA <sup>5</sup>	9.6x
Interest Cover	5.8x
Gearing (Net Debt/ EV)	30.4%
Asset Beta	0.54

<sup>3</sup> Based on weighted averages

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

<sup>5</sup> EBITDA means earnings before interest, tax, depreciation & amortisation

**Regional Exposures<sup>2</sup>**

**Maturity Exposures<sup>2</sup>**

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

**Fund Details**

Fund Size	\$3.6m
Number of Holdings	37
Minimum Investment	\$500,000 <sup>6</sup>
Application Price	1.0649
Redemption Price	1.0595
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>6</sup> 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 continued to advance into the new year, with the US market recording new highs in an overall measured rise. The gains in the US market (DJ 0.5%, S&P500 0.7%, NASDAQ 1.4%) reflected a relatively benign outlook for inflation and interest rates, in view of maintained interest rates by the Fed, strong manufacturing and employment data, a through the month recovery in energy prices and on balance positive company news during the reporting season. Strong DJ performers came from diverse sectors and included United Tech (+7.5%), Alcoa (+7.8%) and GM (+5.4%) while underperformers included AIG (-5.0%), American Express (-4.6%) and 3M (-4.4%) on the back of poor results/outlook statements. The Energy sector declined by 1.9% following weaker crude oil prices which fell to US\$50/barrel before recovering to end the month at US\$57 on US government announced plans to double the strategic petroleum reserves.

European markets continued to outperform the US market in January (UK 0.3%, France 1.9%, Germany 2.9%, Spain 2.9%, Italy 1.8%) being underpinned by solid industrial production data, on-going M&A activity and the positive impact of lower energy prices on the outlook for inflation and interest rates. Significant positive movers for the month included Nokia (+9.2%) strong emerging markets results, Fraport AG (+7.9%) retracement following adverse chemical plant relocation costs and AXA SA (+6.2%) a fourth license granted in China. Stocks that fell during the month included Abertis (-3.5%) failure to complete Autostrade merger and Alcatel-Lucent (-11.3%) poor results.

Asian markets continued to post solid gains (Japan 1.5%, Hong Kong 2.3%, Singapore 4.8%, Australia 2.1%) following falling commodity and energy prices that underpin growth and sustain modest inflationary expectations.

Globally, the Infrastructure sector continues to enjoy steady support. Positive announcements included the potential sale of the Czech Republic's Prague Airport, proposed motorway privatisation/IPOs in Hungary and the possible sale of CKI's 40% stake in the Lane Cove Tunnel in Australia. Other major news included the announcement that structural problems at Bangkok's new airport - cracks have appeared in the tarmac within six months of opening, and the on-going Abertis/Autostrade on/off merger which has now moved to the European Court of Justice for a ruling.

**George Raftopoulos, Senior Portfolio Manager**

### Overview of Fund Holdings

#### Top 10 Holdings

Canadian National Railway  
 CCR  
 Cintra  
 Duke Energy  
 Eutelsat Communications  
 SES Global  
 Shenzhen Expressway  
 SP Ausnet  
 Spectra Energy  
 Vinci

#### Top 5 Performers

Cheung Kong Infrastructure  
 Hopewell Highway  
 Shenzhen Expressway  
 Sichuan Expressway  
 SMRT Corp

#### Bottom 5 Performers

CCR  
 Enbridge Inc  
 Red Electrica  
 RWE AG  
 Spectra Energy

### Currency Exposure

Currency	Exposure (AUD million)	Hedge <sup>7</sup> (%)
USD (inc China, HK)	0.9	100
Euro	1.4	99
Singapore Dollar	0.1	100
Canadian Dollar	0.4	98

<sup>7</sup> Based on coverage as at 1 February 2007

#### 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.