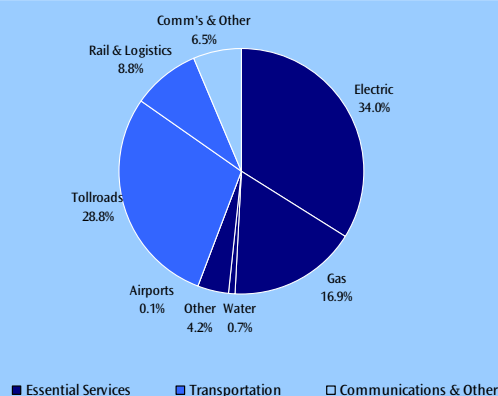


Performance Summary (returns in AUD after fees)

	This Month	Three Months	Six Months	Inception ¹
RARE Infrastructure Value Fund	4.3%	9.5%	15.2%	16.5%
Benchmark (<i>OECD G7 Inflation Index plus 5.5% pa</i>)	0.8%	1.5%	2.1%	2.5%
Out/ (Under) Performance	3.5%	8.0%	13.1%	14.0%

¹ Inception date 13 November 2006

Overview of Fund Exposures and Portfolio Statistics
Sector Exposures²

Portfolio Statistics

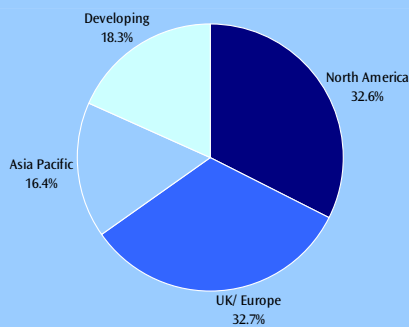
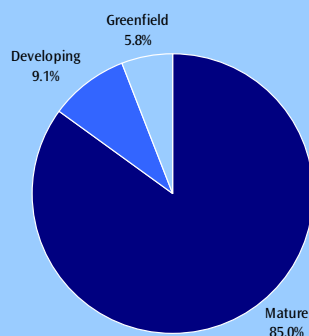
 Current statistics of the RARE Infrastructure Value Fund are as follows³:

Dividend Yield	4.0%
EV ⁴ / EBITDA ⁵	10.4x
Interest Cover	3.8x
Gearing (Net Debt/ EV)	31.1%
Asset Beta	0.52

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	\$52.6m
Number of Holdings	38
Minimum Investment	\$500,000 ⁶
Application Price	1.1676
Redemption Price	1.1618
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

⁷ Cum-distribution of 0.7 cents per unit, paid on 11 April 2007

Market Commentary for the Month

Global markets recorded solid gains in May, continuing the advance from the February correction.

The US market sustained the rally over the month (DJ +4.3%, S&P500 +3.3%, NASDAQ +3.2%) with supportive economic data. Concern that strong industrial production data and factory orders would trigger inflation and rate increases was tempered by weak retail sales and moderate producer price rises. The Fed held rates unchanged, easing market fears of further rate increases in the short term.

Strong markets in Europe (UK +2.7%, France +2.4%, Germany +6.4%, Spain +6.6%) were driven by positive employment data, modest PPI increases and the ECB raising its Euro-area GDP forecast for 2007 to 2.6% from 2.1%. In Asia, all markets continued to advance (Singapore +4.5%, Korea +10.3%, Hong Kong +1.6%, Japan +2.7%, Shanghai + 6.9%) despite attempts by Chinese authorities to cool the market by introducing increased share trading stamp duty, increased interest rates, a widening of the currency's trading band against the US dollar and lifting bank reserve requirements.

The infrastructure sector globally recorded generally a strong performance for the month. Aeroports de Paris led a consortium that has won a 25 year concession to build and manage the US\$450m redevelopment of the airport in Amman, Jordan, while the potential privatisation of the Lyon and Bordeaux airports is progressing well. In Italy, the regulatory environment for toll roads remains uncertain, with the regulator, ANAS, and Autostrade (now Atlantia) and 10 other toll road concession holders engaged in legal action.

Toll road concessions in the US continue to encounter political obstacles, with Federal concerns regarding public interest protection an unresolved issue. In Texas, proposed legislation to impose a two year moratorium on new concessions has been vetoed by the Governor, resulting in a compromise bill. In Mexico, bids have been submitted for a US\$2bn (550km) motorway with a 30 year concession.

With oil prices settling above US\$60/bbl, electricity prices have strengthened and the pressure on prices appears to be sustained as low rainfall reduces hydro-electric generated output. This has resulted in a rerating of many integrated utility stocks.

George Raftopoulos, Senior Portfolio Manager

Portfolio Commentary

RARE finished the month with a strong positive absolute return. A strong performance by the toll road sector, especially Zhejiang, Abertis SA and OHL and the railroad sector, where RARE has exposure to Norfolk Southern (US) and Canadian National, boosted performance.

The communications sector was also a strong performer, where RARE had exposure to SES Global (France). RARE's underweight position in the outperforming water (M&A) and Asian ports was negative for returns, however an underweight position in the underperforming logistics sector enhanced the portfolio's performance.

The gas and electric utilities sectors recorded relatively modest gains over the month, however RARE's stock exposure to these sectors significantly outperformed the sector performance.

Overview of Fund Holdings

Top 5 Holdings (alphabetical order)

Babcock & Brown Wind
 Cintra Concesiones
 SES Global
 SP Ausnet
 Spark Infrastructure Group

Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
USD (inc China, HKD)	14.1	89
Euro	17.5	99
Canadian Dollar	4.8	104
Brazilian Real	2.9	-
Czech Koruna	1.0	-

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.