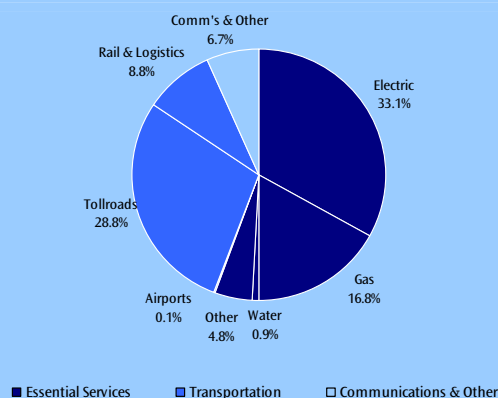


Performance Summary (returns in AUD after fees)

	This Month	Three Months	Six Months	Inception ¹
RARE Infrastructure Value Fund	-1.6%	4.6%	10.3%	14.6%
Benchmark (<i>OECD G7 Inflation Index plus 5.5% pa</i>)	1.1%	1.9%	3.1%	3.7%
Out/ (Under) Performance	-2.7%	2.7%	7.2%	10.9%

¹ Inception date 13 November 2006

Overview of Fund Exposures and Portfolio Statistics
Sector Exposures²

Portfolio Statistics

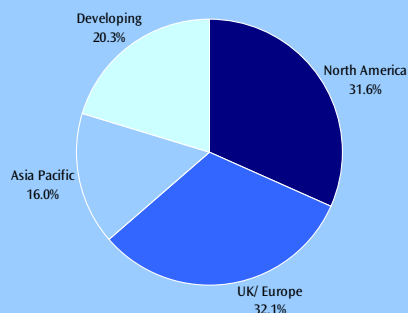
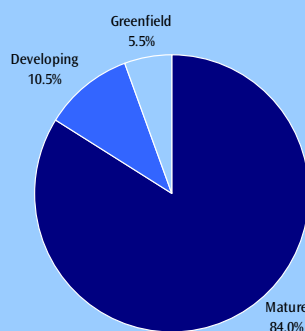
 Current statistics of the RARE Infrastructure Value Fund are as follows³:

Dividend Yield	4.2%
EV ⁴ / EBITDA ⁵	10.6x
Interest Cover	3.9x
Gearing (Net Debt/ EV)	32.6%
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	\$57.4m
Number of Holdings	39
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

With the exception of several Asian markets global markets retreated in June. Most global markets were quite volatile due to:

- concerns over rising global bond yields;
- direct and possible collateral damage that may arise from defaults in the US sub prime mortgage market; and
- concerns over the level of private equity activity and the implications on M&A activity if governments alter tax regimes governing private equity.

US markets (DJ -1.5%, S&P500 -1.6%, NASDAQ +0.1%) recorded the second month of negative returns for 2007. Significant falls included: the Homebuilders sector (down 19%) on the back of poor data (rising mortgage defaults and soft housing market); the Steel sector (down 10%) on the back of slowing demand for automakers and homebuilders; and the Utility sector (down 5%) on the back of rising bond yields.

European markets (UK -0.8%, France -1.8%, Germany +0.5%, Spain -2.9%) generally fell across the board on the back of the global themes discussed above. European Central Bank raised rates 25bps to 4% with expectations of another 50bps in rises to come. BoE left rates unchanged in June although lifted rates on 5 July by 25bps to 5.75%.

Asian markets (Singapore +1.1%, Korea +2.5%, Hong Kong +6.3%, Japan +1.5%, Shanghai -7.0%) were generally up for the month. Hong Kong stocks were up on the basis that many investors believe the changes to China Securities Regulatory Commission allowing mainland mutual funds and securities houses to invest in overseas stock markets from July 5 would initially benefit Hong Kong stocks.

For the infrastructure sector, the toll road sector continues to exhibit strong activity. In Italy, Altantia continues to contemplate a deal with Abertis of Spain and expects to proceed once the new regulatory framework in Italy is finalized. This has implications for other Italian companies Autostrada Tourino-Milano and SIAS. The Brisa/CCR consortium has reached financial and commercial close on a 99 year (US\$603m) concession for the Northwest Parkway Denver toll road, as has the Autopistas consortium (Cintra 33%) which will have a 30 year concession for the 231km Greek toll road. In Mexico the tender date for the four toll roads has been extended to mid-July, while in Portugal the government is finalizing the privatization of Estradas de Portugal.

Richard Elmslie, Investment Director & George Raftopoulos, Senior Portfolio Manager

Portfolio Commentary

RARE experienced its first month of negative returns with the portfolio down 1.8% (before fees). However given the 4.6% before fees return achieved in May quarterly returns were relatively stable over the last two periods:

- March 2007 quarter 5.4%
- June 2007 quarter 4.6%

Global infrastructure was affected in terms of returns and volatility in the month of June due to concerns over rising global bond yields.

In our opinion there is likely to be more volatility in the next six months as investors try to form views on the direction of various global and regional economic drivers and their effects on economies, industries and individual stocks. The underlying fundamentals of the companies RARE has invested in remain sound.

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)	15.2	81
Euro	18.2	92
Canadian Dollar	4.8	98
Brazilian Real	3.1	-
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.