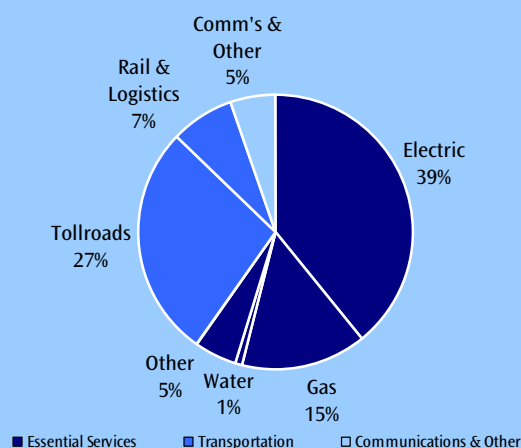
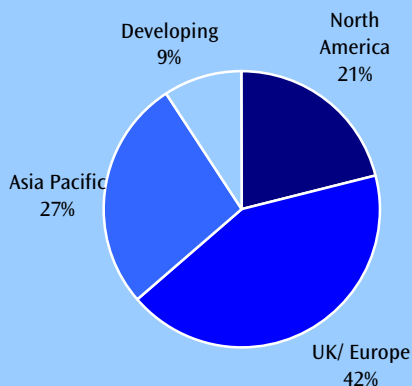
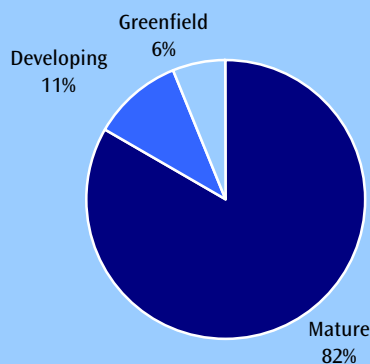


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	Nine Months	Inception <sup>1</sup>
RARE Infrastructure Value Fund	4.1%	2.9%	15.1%	19.7%
Benchmark <sup>2</sup>	0.6%	2.4%	5.6%	6.2%
Out/ (Under) Performance	3.5%	0.4%	9.5%	13.5%

**Overview of Fund Exposures and Portfolio Statistics**
**Sector Exposures<sup>3</sup>**

**Regional Exposures**

**Maturity Exposures<sup>3</sup>**

**Portfolio Statistics**

Current statistics of the RARE Infrastructure Value Fund are as follows<sup>4</sup>:

Dividend Yield	4.4%
EV <sup>5</sup> / EBITDA <sup>6</sup>	10.9x
Interest Cover	4.2x
Gearing (Net Debt/ EV)	32.5%
Asset Beta	0.52

**Fund Details**

Fund Size	\$104m
Number of Holdings	42
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	1.1748
Redemption Price	1.1690
Distribution Frequency	Quarterly
Last Distribution, Sep 07	0.4983 cpu
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>1</sup> Inception date 13 November 2006

<sup>2</sup> OECD G7 Inflation Index plus 5.5% pa

<sup>3</sup> Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE Infrastructure

<sup>4</sup> Based on weighted averages

<sup>5</sup> EV means Enterprise Value (market capitalisation + preferred equity, if any + net debt)

<sup>6</sup> EBITDA means earnings before interest, tax, depreciation & amortisation

<sup>7</sup> If you invest through an IDPS operator such as a Master Trust or Wrap Account platform, this minimum may not apply to you

## Market Commentary for the Month

Global markets rebounded strongly in September as central bank intervention, to facilitate liquidity and limit any negative economic growth impact, boosted investor confidence.

The US market surged during the month, (DJ +4.0%, S&P500 +3.6%, NASDAQ +4.0%) following the US Federal Reserve's action to increase liquidity, cut interest rates (0.5%) and announce a further cut to the discount rate. Whilst the impact of the sub-prime crisis will take some time to wash through the system, the Fed has clearly shifted focus from inflation control to growth preservation. The expectation of further interest rate cuts underpinned the market's advance.

European markets recorded a more measured advance than the US (UK +2.6%, France +0.9%, Germany +2.9%, Spain +0.7%, Italy -0.7%) due to rises in resource and related cyclical shares, despite falls in airlines (oil price over \$80/bbl, +10.3% over the month), building materials and UK banks. The Northern Rock crisis, which saw the Bank of England provide temporary mortgage funding, highlighted the delicate phase in which some financial institutions are still positioned. Asian markets rose strongly (Hong Kong +13.2%, Korea +3.9%, Taiwan +5.5%, Singapore +9.2%).

The Czech government has launched the process to privatise Prague Airport – IPO expected within a year – while the re-tendering of Chile's Iquique airport has attracted bids from six consortia. The city of Hamburg plans to issue 30% of HHLA, the Hamburg port operator, in a new IPO scheduled for November 2007, to raise €900m for investments in the ports' infrastructure, with another €100m to be injected into the company's operations. The Russian Road Agency and the St. Petersburg administration have announced a €750m tender for the licensed construction of the 1-km-long Orlovsky Tunnel under the Neva River in St. Petersburg.

In the USA, the US\$1.7bn Pennsylvania Turnpike concession has been released, with responses due on 1 October, and in Florida the US\$1.3bn, potentially 50 year, I-595 Corridor project will be released in October. Abertis of Spain has exchanged its interest in Benetton related companies, emerging with a 6.65% direct stake in Atlantia (Italy), its potential bid target.

**Richard Elmslie, Investment Director**  
**Nick Langley, Investment Director &**  
**George Raftopoulos, Senior Portfolio Manager**

## Portfolio Commentary

All infrastructure sectors, with the exception of Water and Logistics - in which RARE has no exposure, recorded solid increases during the month. RARE's performance was achieved despite no exposure to strong performing sectors (Transport +8.4%; Airports +6.2%). RARE benefited from exposure to the solid performances in the Communications (+6.6%) and Rail (+3.0%) sectors and the portfolio's regional exposure to Europe (+4.0%) and Developing Asia Pacific (+3.8%).

Abertis of Spain has finalised a deal to manage two airports in Georgia, USA for 10 years, and has agreed to acquire DCA, the Latin American airport concession business for €270m. RWE notified the SEC that it intends to list up to \$1.5bn of American Water shares on the NYSE, with the IPO expected late 2007. Italy has released its new rules regarding motorway concessions, which should clear the way for Abertis to reconsider its Atlantia bid.

RARE continues to focus its portfolio on stocks with low financial risk, strong market positions, solid growth prospects and in favourable regulatory environments.

## Overview of Fund Holdings

### Top 5 Holdings

CINTRA CONCESIONES DE INFRAE

BABCOCK AND BROWN WIND PARTNERS GROUP DEFERRED S

SPARK INFRASTRUCTURE GROUP STAPLED SECURITIES FULLY

RED ELECTRICA DE ESPANA

CANADIAN NATIONAL RAILWAYS COMPANY

## Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
USD (incl HKD)	22.6	105.1%
Euro	36.0	89.1%
Canadian Dollar	9.2	101.1%
Czech Koruna	2.5	
Brazilian Real	8.7	
British Pound	1.9	98.7%

### 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.