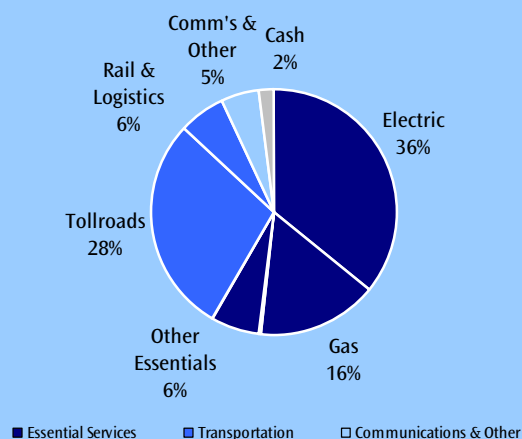
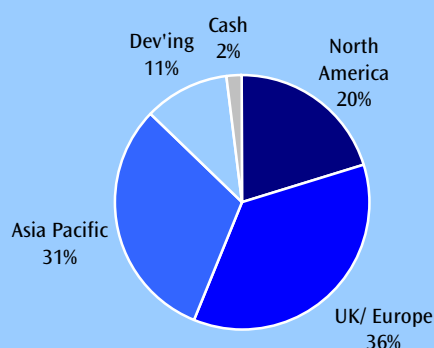
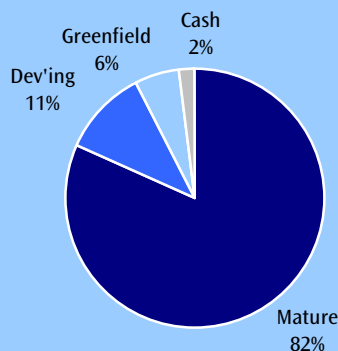


Performance Summary (total returns in AUD after fees)

| | This Month | Three Months | Twelve Months | Inception ¹ |
|--------------------------------|------------|--------------|---------------|------------------------|
| RARE Infrastructure Value Fund | -7.3% | -8.6% | 5.4% | 9.7% |
| Benchmark ² | 0.7% | 1.8% | 7.8% | 7.0% |
| Out/ (Under) Performance | -8.0% | -10.4% | -2.4% | 2.8% |

Overview of Fund Exposures and Portfolio Statistics
Sector Exposures³

Regional Exposures - by Listing

Maturity Exposures³

Portfolio Statistics

Current statistics of the RARE Infrastructure Value Fund are as follows⁴:

| | |
|---------------------------------------|-------|
| Dividend Yield | 4.7% |
| EV ⁵ / EBITDA ⁶ | 10.0x |
| Interest Cover | 4.4x |
| Gearing (Net Debt/ EV) | 32.8% |
| Asset Beta | 0.51 |

Fund Details

| | |
|---------------------------|--|
| Fund Size | \$118m |
| Number of Holdings | 40 |
| Minimum Investment | \$500,000 ⁷ |
| Application Price | 1.0915 |
| Redemption Price | 1.0861 |
| Distribution Frequency | Quarterly |
| Last Distribution, Dec 07 | 0.7500 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

¹ Inception date 13 November 2006. Results Annualised

² OECD G7 Inflation Index plus 5.5% pa

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

⁴ Based on weighted averages

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

⁶ EBITDA means earnings before interest, tax, depreciation & amortisation

⁷ 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 crashed in January on the back of continuing adverse news on the US economy, bond insurer concerns and as yet unquantifiable sub-prime related losses. In the US, markets declined sharply for the first three weeks and then staged a small recovery (DJ -4.6%; S&P500 -6.1%; NASDAQ -9.9%). Poor economic data coupled with possible credit rating downgrades for bond insurers, raising fears of the prospect of tighter credit conditions due to elevated counterparty risk, panicked the market. The modest recovery in the market followed two interest rate cuts (an emergency 75bp and a further 50bp) to 3% by the Federal Reserve and a US\$150bn US Government rescue package. The cumulative sub-prime related writedowns presently exceed \$150bn, and the fear is that this figure could still double over time.

European markets fell more than the USA (UK -8.9%; France -12.9%; Germany -15.1%; Italy -11.2%; Spain -12.9%) in the absence of any interest rate cuts by the ECB. Markets were negatively impacted by weaker economic indicators, some poor results from cyclical companies and further sub-prime related loss announcements. The markets and financials in particular were shaken by the announcement that a “rogue trader” at Societe Generale may cost the bank €4.8mn.

Asian markets fell even further than Europe over the month (Hong Kong -15.7%; Singapore -14.4%; Japan -11.2%; Korea -14.4%) as investors started to panic. While economic indicators suggest a more modest growth outlook, at this stage the expectation is that there will still be solid growth in China and the region.

Global Infrastructure news of note during January included the request for EOs by the Minas Gerais (Brazil) state for some 7,000km (16 packages) of roadway concessions requiring US\$1.5bn in investment, the expected announcement of the NSW M4 East tollroad/tunnel project with an estimated cost of US\$6-9bn and an announcement by the Japanese transport ministry that equity stakes of foreign investors in the IPO of domestic airports would be limited to less than 33%.

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

Portfolio Commentary

The portfolio recorded a negative return for the month, which was less than the 8.8% fall in global markets, as measured by the MSCI World Index.

Regionally, RARE's performance was negatively impacted by its exposure to OECD Asia Pac (-7.5%) and Latam (-8.5%) and enhanced by its N American exposure (-5.7%).

On a sector basis, RARE benefited from its exposure to Rail (+0.8%) and Gas (-5.0%) and for having no exposure to the underperforming Airports sector (-11.2%). Exposure to the Communications sector (-11.3%) detracted from performance.

The fall in B&B Power and Wind stocks reflected margin call related Tricom selling and the market's increased sensitivity to financial engineers/gearing. Vinci bought an initial 3.3% stake in Aeroports de Paris, while Abertis stated that there will be no merger with Atlantia and announced a deal to buy two Chilean toll road concessions (€700m).

RARE continues to believe that global markets will be volatile, and continues to weight the portfolio towards stocks that exhibit more defensive investment characteristics.

Overview of Fund Holdings

Top 5 Holdings

CINTRA CONCESIONES DE INFRAE
SPARK INFRASTRUCTURE GROUP STAPLED SECURITIES FULLY
BABCOCK AND BROWN WIND PARTNERS GROUP DEFERRED S
RED ELECTRICA DE ESPANA
SNAM RETE GAS

Currency Exposure

| Currency | Exposure (AUD million) | Hedge (%) |
|-----------------------|---------------------------|--------------|
| US Dollar (incl. HKI) | 29.8 | 99.2% |
| Canadian Dollar | 9.3 | 89.1% |
| Euro (incl. CZK) | 40.0 | 103.8% |
| British Pound | 2.3 | 98.4% |
| Brazilian Real | 12.6 | 106.3% |
| Singapore Dollar | 3.6 | 84.6% |

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.