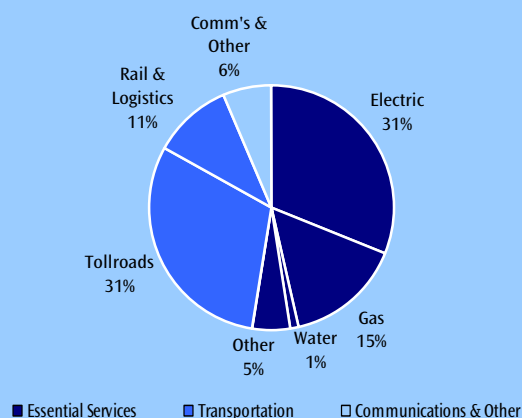
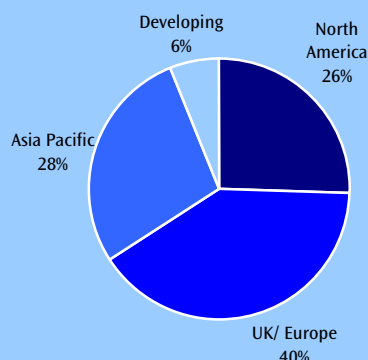
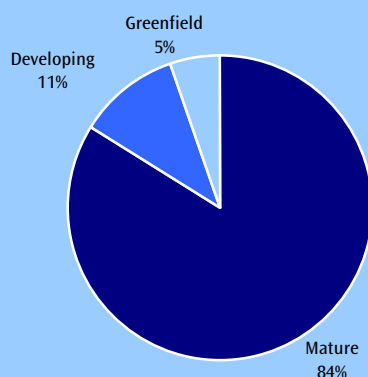


**Performance Summary (returns in AUD after fees)**

	This Month	Three Months	Nine Months	Inception <sup>1</sup>
RARE Infrastructure Value Fund	0.9%	-1.9%	13.7%	15.0%
Benchmark <sup>2</sup>	0.9%	3.0%	5.2%	5.6%
Out/ (Under) Performance	0.0%	-4.9%	8.5%	9.4%

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

**Regional Exposures<sup>3</sup>**

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

**Portfolio Statistics**

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

Dividend Yield	4.0%
EV <sup>5</sup> / EBITDA <sup>6</sup>	10.1x
Interest Cover	4.2x
Gearing (Net Debt/ EV)	35.1%
Asset Beta	0.52

**Fund Details**

Fund Size	\$66m
Number of Holdings	39
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	1.1352
Redemption Price	1.1296
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
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<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, these minimums may not apply to you

## Market Commentary for the Month

August was a particularly volatile month, which saw central and major international banks responding to sharply tightening liquidity. The problems of the sub prime mortgage market reached a crisis point, triggering hedge fund failures and increasing the risk of default of mortgage related financial institutions. Markets fell sharply before the mid-month central bank market intervention, steadied, and then staged a measured recovery.

The US market finished the month marginally ahead (DJ +1.1%, S&P500 +1.3%, NASDAQ +2.0%) despite sharp intra-month fluctuations. Before the liquidity crisis, mixed economic data suggested that the Fed could lift rates, however, the crisis provoked both intervention and the expectation that rates could be cut at the next Fed Fund meeting in early September.

The impact on European markets was more pronounced (UK -0.9%, France -1.5%, Spain -2.2%, Italy -0.1%) despite steady growth and inflation data and the injection of some €150bn by the ECB.

In Asia markets were mixed, with falls (Japan -3.9%, Korea -3.1%, Singapore -4.4%, Taiwan -3.3%) and gains (Hong Kong +3.4%, ASX +1.7%) reflecting uncertainty and implications for regional and global growth and interest rates.

Global infrastructure sector activity continued at a strong pace during August. The tragic collapse of a bridge in Minnesota highlighted the poor condition of the US road network and may accelerate state legislation on privatisation. In this respect the US Transport Department has approved South Carolina's application to build a 130km US\$2.1bn toll road that could be a private concession. In Brazil, the National Transport Agency released bidding documents for seven federal road concessions (25 years each) that will require investment of some US\$10.2bn. In British Columbia, Cintra of Spain has been shortlisted for a C\$2.0bn project to improve and operate Highway 1 for a 40 year period.

In Mexico the government is expected to auction Punta Colonet container port on the Baja California peninsula for US\$5-6bn, while the new French President has directed the Secretary of State for Transport to propose industry reforms that could accelerate port privatisation.

**George Raftopoulos, Senior Portfolio Manager**

## Portfolio Commentary

RARE finished the month with a positive absolute return despite no exposure to the month's strongest performing sector, Water (+5.0%). A strong performance by the toll road sector and especially Shenzhen (HK), APRR (France) and Jiangsu (HK) and certain electric utilities stocks, including Duke Energy (USA) and E On AG (Germany), contributed to RARE's performance. Sectors that reported negatives returns for the month included Logistics (-2.6%), Airports (-0.4%) and Transport (-2.6%), where RARE has no exposure, and the Railway sectors (-2.2%) where RARE's exposure underperformed the sector. The Communications sector (-1.4%) also recorded negative returns for the month, however, RARE's exposure to this sector delivered strong positive returns.

Despite the sharp market volatility over the month RARE's balanced sector and regional diversification cushioned the overall performance, and delivered an overall positive return in difficult markets. We expect that the market uncertainty will remain for some time, as global credit issues are slowly addressed.

## Overview of Fund Holdings

### Top 5 Holdings

CINTRA CONCESIONES DE INFRAE  
CANADIAN NATIONAL RAILWAYS COMPANY  
VINCI SA  
RED ELECTRICA DE ESPANA  
SES FDR

## Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
USD (incl HKD)	19.7	100.4%
Euro	23.7	96.4%
Canadian Dollar	7.4	94.6%
Czech Koruna	1.5	
Brazilian Real	4.1	
British Pound	1.2	94.1%

### 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.