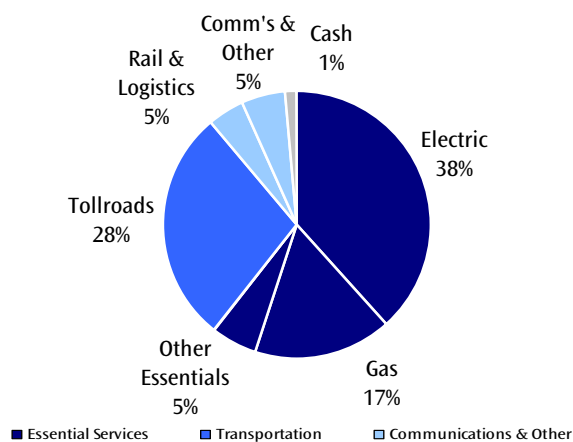
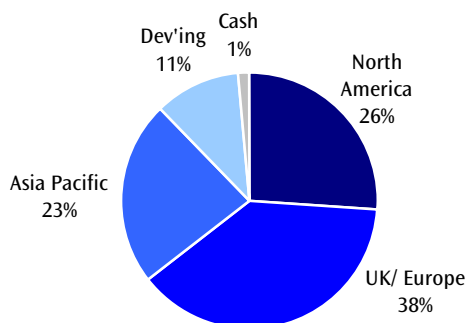
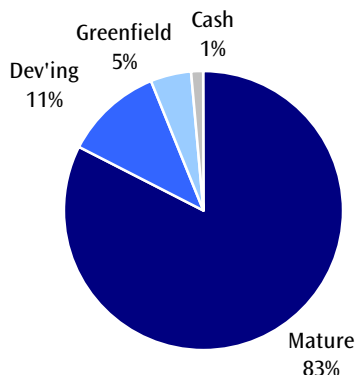


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	Twelve Months	Inception <sup>1</sup>
RARE Infrastructure Value Fund	-0.3%	-8.9%	-5.3%	4.8%
Benchmark <sup>2</sup>	1.2%	3.3%	9.1%	8.2%
Out/ (Under) Performance	-1.5%	-12.2%	-14.4%	-3.4%

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

**Regional Exposures - by Listing**

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

**Portfolio Statistics**

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

Dividend Yield	5.4%
EV <sup>5</sup> / EBITDA <sup>6</sup>	9.6x
Interest Cover	4.7x
Gearing (Net Debt/ EV)	36.1%
Asset Beta	0.50

**Fund Details**

Fund Size	\$129m
Number of Holdings	38
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	0.9920
Redemption Price	0.9871
Distribution Frequency	Quarterly
Last Distribution, June 08	5.9511 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. Results Annualised

<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 edged higher in August as falling commodity prices, lower oil prices (down 7% to USD115/bbl) and a moderation in inflation indicators outweighed the on-going concerns regarding credit markets and financial system instability. In the US, the perception that economic growth remains robust (2Q annualised GDP growth at 3.3%) and that the next move in interest rates would probably be up, underpinned markets (DJ +1.5%; S&P500 +1.2%; NASDAQ +1.8%) and the currency. Despite weak housing data, rising housing inventory levels and further bank failures (Kansas & Colombian bank), retail numbers were solid and consumer stocks rebounded.

European markets were mixed for the month, with some solid gains (UK +4.2%; France +2.1%; Italy +1.6%) and some markets finishing lower (Germany -0.9%; Spain -1.5%). While the easing of Russian/Georgian hostilities helped markets, as did the easing EURO for exporters, speculation remains that banks face further losses. Positive US GDP data pushed markets higher and Germany unemployment fell to 7.6%, the lowest rate in 16 years.

AsiaPac markets were weaker (HK -6.5%; Shanghai -13.6%; Singapore -6.5%; Japan -2.3%; Korea -7.6%) with the exception of Australia +3.2%. Major factors driving markets lower included concern over further credit related losses, the prospect of lower growth impacting earnings and continuing inflationary concerns (both Thailand and the Philippines increase interest rate to curb rising inflation). LatAm was sharply lower (Brazil -3.4%; Mexico -2.5%; Chile -3.3%) as falling commodity prices and inflationary pressures impacted markets.

Infrastructure related activity included the announcement that seven bids had been shortlisted for a USD1.5b, 30 year concession to operate St. Petersburg's Pulkovo airport, while the UK Competition Commission warned that it would direct BAA (owned by Spain's Ferrovial) to sell off two of its London airports and one Scottish terminal. Dubai port operator, DP World, was awarded a USD740m contract to build the first phase of a new port at London Gateway and in Mexico the government is finalising the bid specifications for a USD4.5b greenfield port and rail project involving construction of a 200 miles of rail line and new port terminals at Punta Colonet.

**Richard Elmslie, Nick Langley & George Raftopoulos,  
Senior Portfolio Managers**

### 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.

## Portfolio Commentary

The fund marginally underperformed in August, finishing slightly negative compared to the flat performance for global markets, as measured by the MSCI World Index. The monthly performance was positively impacted by the fund's exposure to some North American Utilities and European utilities and tollroads.

On a sector and regional basis, RARE benefited from its exposure to Tollroads in Europe, Gas and Electric utilities in North America and Europe and Rail which delivered positive returns for the month. Performance was negatively impacted by RARE's exposure to tollroads in Latin America and Hong Kong and to Australian utilities.

A Vinci led consortium has reached financial close on the EUR2.8bn 30-year Olympia Odos tollroad concession in Greece and another Vinci team is the front-runner for the USD800m 77km Bosphorus Tube Tunnel in Turkey. E.ON has signed an agreement to acquire the remaining 44.6% stake in E.ON Sverige, a Sweden based energy company in return for some generating assets and 2% of E.ON shares in a transaction value of EUR2.3bn.

RARE continues to be of the view that markets will remain volatile until there is greater clarity in respect of US/ UK housing stress and improvement in global credit markets.

## Overview of Fund Holdings

Top 10 Holdings	Weighting
CINTRA CONCESIONES DE INFRAE	7.3%
PROGRESS ENERGY	5.2%
ABERTIS INFRAESTRUCTURAS SA	4.5%
NATIONAL GRID PLC	4.5%
SINGAPORE POST LIMITED	4.4%
SNAM RETE GAS	4.0%
VINCI SA	3.9%
RED ELECTRICA CORPORATION SA	3.8%
BABCOCK AND BROWN WIND PARTNERS	3.4%
ITC HOLDINGS CORPORATION	3.2%

## Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
US Dollar (incl. HKI)	33.9	94%
Canadian Dollar	10.2	101%
Euro (incl. CZK)	43.7	99%
British Pound	5.8	99%
Brazilian Real	14.1	101%
Singapore Dollar	5.7	100%