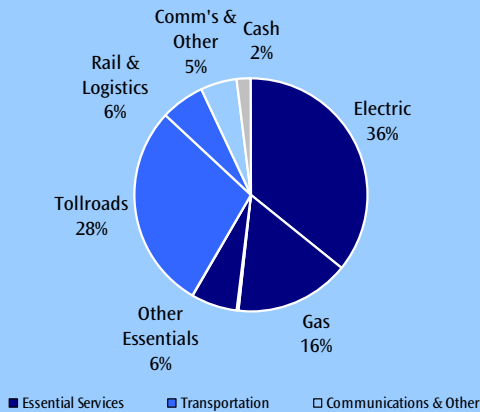
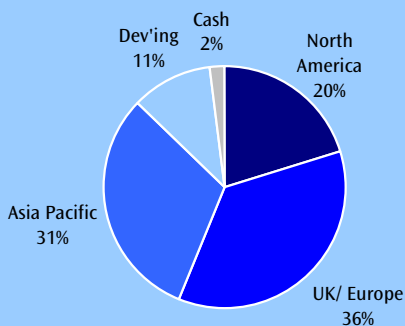
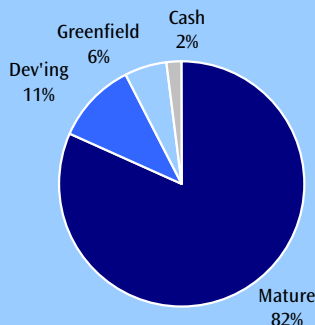


Performance Summary (total returns in AUD after fees)

	This Month	Three Months	Twelve Months	Inception ¹
RARE Infrastructure Value Fund	-0.1%	1.0%	16.3%	18.3%
Benchmark ²	0.9%	1.8%	7.5%	7.1%
Out/ (Under) Performance	-1.0%	-0.7%	8.8%	11.2%

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	1.1860
Redemption Price	1.1800
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
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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 remained under pressure during the month. In the US, markets continued to decline (DJ -0.8%; S&P500 -0.9%; NASDAQ -0.3%) despite a 0.25% interest rate cut and further Central Bank co-ordinated liquidity injections (US, ECB, Canada, England & Switzerland). Rising inflation is starting to limit Central Bank monetary response options, implying that sustained interest rate cuts are unlikely and that distressed US homeowners have to rely on government rescue packages. Markets still cannot price the sub-prime mortgage risk, and with the oil price pushing US\$100/bbl markets remain uncertain and volatile.

European markets were mixed with Germany +2.5% and the UK +0.4% (BOE cut rates by 0.25% to 5.5%) rising, while other markets finished the month lower (France -1.0%; Italy -1.1%; Spain -3.7%). The ECB remains focused on the threat of inflation and while happy to provide liquidity has not yet lowered rates.

Asian markets were lower over the month (Hong Kong -2.9%; Singapore -1.1%; Japan -2.4%; Korea -0.5%) as investors started pricing lower growth from the US and Europe and the implications for Asian exports.

Global Infrastructure had another strong growth year in 2007, with global infrastructure deals totalling some US\$322bn. During the month Fraport received state approval for its €4bn-5bn new runway and passenger terminal expansion and has also agreed to take a stake in China's Xi'an Xianyang Airport, which has announced a US\$985m expansion. Vienna Airport has taken a 26% stake in a JV in India to build and operate two regional airports in the Indian state of Karnataka, while the Japanese government has indicated that it would limit airport privatisation, with the state expected to retain "golden shares with special voting rights" in the IPO of Narita Airport in 2009.

In Russia, St. Petersburg's US\$990m Orlovsky Tunnel PPP has attracted four bidders for this 30 year concession with a DBFO structure, while the board of Auckland International Airport has recommended shareholders reject a NZ\$1.8bn partial takeover offer from the Canadian Pension Plan Investment Board.

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

Portfolio Commentary

Although the portfolio was marginally down for the month, this compares reasonably favourably to global markets, which fell by 0.6% as measured by the MSCI World Index.

Regionally, RARE's performance was positively impacted by its exposure to Developing Asia Pacific (+6.6%) (Hong Kong, Singapore) and Europe (+0.7%) (Germany, UK) and negatively impacted by its exposure to LatAm (-3.4%).

On a sector basis, RARE benefited from its exposure to Rail (+1.4%), Communications (+1.3%) and Gas (+1.0%), and no exposure to the underperforming Airports sector (-1.8%). Exposure to the underperforming Toll Roads sector (-1.2%) detracted from performance.

The decision by SP AusNet's parent company not to proceed with the sale of assets into SPN has been well received by market, the stock rising by 2.4%. CCR of Brazil and Brisa will bid for the second package of Mexican toll roads involving a 30 year concession, while Abertis continues to try to lift its stake in Brisa.

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

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.